The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Can the Kuomintang Arrest the Accelerating Process of Disintegration of China?

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SATURDAY, FEBRUARY 10, 1934 VOLUME 67, NUMBER 11

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The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 67 | Shanghai, China, Saturday, February 10, 1934 | Number 11

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS
C. Y. W. MENG S.Y. LEUNG
STEPHEN WANG PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

WHEN THE TRAFFIC LIGHTS TURN FROM GREEN TO RED

THE Shanghai Police undoubtedly have a difficult traffic problem. Not only are the streets exceedingly narrow, but there is a variety of vehicles probably not equalled in any other city in the entire world. Automobiles, trucks, streetcars on rails and without rails, buses, ricshas, handcarts, bicycles and wheelbarrows, all travelling at different rates of speed, with a population to whom jay-walking is the natural, thing to do, (all to be found on the streets, at one time and in the same block), make a combination that naturally tends to confusion—a confusion which is considerably added to by the almost fiendish delight with which the Sikh and Chinese police pursue some unfortunate ricsha coolie in order to tear off his license plate or capture his cushion, because of some minor infraction of the traffic regulations which he has committed. Shanghai is no different from cities in the west in that the Police daily have occasion to send notices to motorists that this or that traffic regulation has been violated. But there are several points in which the traffic regulations in the West, or at least in large American cities, are superior to those in force in Shanghai. For one thing the system of switching on traffic lights from green to red, or vice versa, without either an interval of time or the interposition of some other colored light is in itself an imposition on the motoring public, and we say this with due recognition of the fact that Shanghai has just as large a proportion of road hogs and reckless drivers as any city in the West.

Considering the faultiness of the system, both the Chinese and Sikhs on traffic duty are to be commended for handling well an exceedingly difficut problem, although, as far as we can learn, the average motorist who has received a notice from the Police can usually get a considerate hearing at headquarters if he makes the excuse that the traffic policeman was at fault—although, as a matter of fact, it is our opinion that in most cases where the offending motorist has a valid excuse it is the system and not the traffic man that is to blame. There is absolutely no reason why there should not be an interval of at least several seconds between the two lights. In many places, there is usually a third light, and this gives pedestrians a chance to get across with some degree of safety. But a third light is really not necessary, and the systems as used in New York and Brooklyn (for example) might, we believe, be put into force with good results here. New York only uses two lights, with an interval of so many seconds between. The system used on Fifth Avenue might, we suggest, be put into force with good results on Nanking road; if not throughout the entire day, then at least during the tiffin interval and for an hour or so in the morning and in the evening. This

system provides lights on the main thoroughfare separated by half a dozen or so blocks apart, all synchronized. Autos must stop at the first intersection, as soon as the red light goes on, even though the light is blocks ahead. The advantage of this system is that, despite the fact that the waits are occasionally rather long, the whole fleet of cars moved forward with one accord and at a rapid rate, so that in the end much time is saved.

Another system used on some of the long avenues in Brooklyn is to have the lights go on and off automatically at such a speed that if a car keeps on going at a fair rate of speed (say 25 miles an hour) it will always have a green light ahead. Under this system frequently a car is able to proceed for a mile or so without being compelled to stop. Such a system might, we suggest, be tried out on any long thoroughfare, say Yangtszepoo road. The regulations as regards the time allowed for parking might also, with advantage, be made more definite. In New York City, for example, if the spot in question is not otherwise restricted as regards parking, cars are allowed an hour in this or that district, or longer in other districts, as the case may be. A similar system could be introduced in various districts of Shanghai, thus doing away with the uncertainty that must exist in many a motorist's mind as to what constitutes an "obstruction." Necessarily, with conditions as they are in Shanghai, the traffic police must proceed to a certain extent on the principle of trial and error, and some times the resulting incidents are somewhat amusing. There was, for example, the case some time back where in a certain street in Shanghai the regulations called for parking on one side of the street up to one o'clock at noon and then on the other side after that time. One American who was haled before the court on a charge of breaking this regulation explained to the court that he had his tiffin regularly at a nearby restaurant and parked his car there while he was eating; and the existing regulation, if it was to be obeyed, made it necessary that he should stop right at the time he was eating his beefsteak, for example, and with an eye on the clock jump up promptly at one and go out and drive his car around the block so that he could park it on the other side. When he came back his beefsteak would, naturally, be cold. The Court accepted the motorist's explanation, and no fine was imposed. The regulation was changed shortly afterwards. This little incident is mentioned as an example of how a little publicity changed one regulation; and we believe we have the majority of motorists in Shanghai with us in saying that if several seconds were allowed between the green and red lights (and, of course, between the red and green ones also) many an accident or near-accident would be avoided.

Japan Will Keep Mandated Islands Permanently

Japan will hold the Japanese mandated islands in the south Pacific Ocean after withdrawal of Japan from the League of Nations on April 1, 1935, Koki Hirota, Minister for Foreign Affairs, formally announced to the House of Peers Feb. 1. The Foreign Minister said Japan's position on the matter was clear. At the Peace Conference in Versailles, it had been agreed that Japan would be given the islands outright but later, at the Paris Conference, the islands were only mandated to the Island Empire.

He said that Japan had agreed with the decision at the Paris Conference only on the understanding there was to be no change in the basic fact that Japan owned the Islands, former German possessions. Even when Japan's withdrawal from the League of Nations becomes effective, he declared, Japan's right of possession will not be lost.

WE HAVE CHINESE NEW YEAR WITH US AGAIN

COMMENCING February 14 and continuing for an indeterminate number of days following that date the Chinese people generally will observe the lunar (Chinese) New Year as they have done for ages past, not oblivious of the governmental decree issued several years ago that it has been abolished, but applying a principle not unknown in other countries, that customs have more weight than mere legal enactments. Officially, Chinese New Year has been abolished, and the Chinese government offices, including the post office, will function as usual. Thus there comes about the paradox that in the foreign treaty ports, and in Shanghai particularly, the Chinese New Year is generally observed by the foreign community, although official China does not do so. However, judging from past years, although the government offices will be open during Chinese New Year it is not likely that a great deal of business will be transacted.

The Chinese daily newspapers in Shanghai will observe a two-day Chinese New Year holiday period, but will issue small extras. At the time of the Western New Year period they observed a four or five days holiday. In some of the past years the Chinese daily newspapers made brave attempts to live up to the spirit of the National Government's decree and newspapers were duly printed. Unfortunately, however, a large proportion of them never reached the readers as the delivery staffs generally failed to show up. However, despite all the discouraging incidentals to the government's determination to bring China into line with all the other nations of the world in observing the Gregorian calendar, there is no doubt that as the years roll by the weight of old custom will be overcome and China will throw off its lunar calendar together with a great many other out-of-date and useless things. Just for the moment, the National Government has more weighty matters to attend to than to "worry" about the Chinese New Year holiday.

More Than a Million Japanese Babies Last Year

From "The Christian Century" (Chicago)

To such as are concerned for the world's peace we venture to say that the most important document for their careful study just now is not the agenda of the disarmament conference, not the speeches of Hitler, not Mussolini's plan for reorganization of the league, but the Japanese census for 1933. The Tokyo correspondent of the *New York Times*, Hugh Byas, has made the figures available in an interpretative article published recently in that newspaper. One sentence holds the crux of the whole story. Here is the sentence: Japan's population had a net increase last year of 1,007,868. Is world catastrophe hidden in those words? It may be. Mr. Byas shows that this is not only the first year in which the Japanese population increase has gone above the million mark, but the first authenticated case in which it has happened in any nation. But this is not so important as that it has happened in Japan. It means that the modernizing process, forced on Japan at the point of American cannon, has reached its climax. With a population that, under the old order, had remained stationary for at least a hundred and fifty years, Japan has now doubled the number of her people in sixty years. This one fact must be placed over against two others. First, except for a negligible amount of emigration to Brazil, Japan cannot spill her surplus into any part of the white world. Second, any attempt to do what England did, sustaining a huge population on a small island by resort to industrialization, is precluded from her by the world's present abandonment of free trade and adoption of economic nationalism, leading to the specific actions taken against Japanese trade in such markets as she has penetrated.

Struggle for Jurisdiction Over "Extra-Settlement" Roads

THE question of jurisdiction over the roads built by the Shanghai Municipal Council in Chinese territory, outside the International Settlement limits, still remains unsettled. The negotiations between the Chinese and foreign authorities which were broken off last year have not been renewed, though there was an exchange of "statements" last month indicating that disagreement was reaching a new point, with the S.M.C. authorities not even certain as to what the Chinese were doing.

The "outside roads" problem, as it is known, is a most troublesome one—for the Chinese authorities. These roads run through Chinese territory. The rather complicated nature of the problem, however, makes agreement necessary between the Chinese and foreign authorities. The latter, being backed up by stronger military forces, have the whip hand, pending agreement. So Settlement police officials continue to exercise control over roads through Chinese territory, penetrating and surrounding an area far greater than the International Settlement itself.

To start from the most fundamental and basic of the complications in this question, it is to be noted that no treaty gives foreigners (outside of mission establishments) the right of owning land in China "Proper." The Shanghai Municipal Council has, therefore, no specific treaty right to ownership of the roads involved. The (revised) Shanghai Land Regulations, however, agreed to between the Shanghai *taotai* and the foreign authorities here in 1854, gave foreigners full administrative powers in their settlements in Shanghai. This, with the granting of the right to the Settlement authorities to acquire land for road-building, laid the foundation for the present situation. The S. M. C. under the Land Regulations exercises, in practice, rights to which no regular treaty entitles them. The *taotai* making this agreement, indeed, was exiled by the Imperial Government the following year, but its validity was supported by foreign powers.

The Shanghai *taotai* in question, it may be parenthetically noted, had very little choice in the matter. The first Land Regulations in 1845, following the treaties of a few years previously, gave the foreign communities no government powers on Chinese territory, but in 1853 the Taipings took Nanking and Chinkiang and the anti-Manchu Small Swords seized the old city of Shanghai, with the customs and other administrative offices. The Imperial *taotai* became a helpless refugee in the foreign settlement, with his old authority wholly paralyzed,—a situation which the representatives of Western civilization were prompt to take advantage of. It was under these circumstances that the unfortunate *taotai* agreed to the revision of the Land Regulations,—a revision upon which the Shanghai and French Municipal Councils, foreign administrations upon territory legally Chinese, are founded. (He was also obliged, in order to obtain revenues, to put the maritime customs at Shanghai under foreign supervision, this being the beginning of the foreign-controlled Chinese Maritime Customs, the system being extended to Canton while under foreign military occupation, and later to other ports.) The Land Regulations were signed by the *taotai* on the one hand, and the French, British, and American consuls on the other,—a striking example of a consular agreement disregarding explicit treaties entered into by diplomatic representatives. Foreign military force, however, was available to maintain the Settlement side of the argument,—and its arguments have so far been potent ones.

At times of Chinese weakness or difficulty, the foreign Settlements have been enabled to extend their boundaries further and further into Chinese territory. Fairly continuous for many years past, however, has been another method of encroachment. Under the regulation giving the Council the right to acquire land outside the Settlement for road-building, land has been purchased in strips not only stretching far out into Chinese territory, but encircling great areas of Chinese-owned land. The significance of this may be realized when it is remembered that extra-territorial nations claim the treaty right of jurisdiction, to the exclusion of Chinese authority, over foreign property,—and extend this claim to the Council's roads outside the Settlement.

The logical development of this claim would mean that the whole of the great Chinese areas surrounded by the Settlement roads come under foreign jurisdiction, no Chinese authority being entitled to cross these roads officially to exercise Government powers, except by special permission of foreign authorities. Popular feeling on the part of the Chinese community, however, somewhat limits the over-exuberant activities of the Settlement authorities, who so far do not claim, officially, the right to exclusive jurisdiction of the Chinese propeity embraced by the Settlement roads. In recent years, n fact, there has been a very definite popular Chinese movement against further foreign encroachment, and it is this movement which has made the matter of the extra-Settlement roads a "problem." For, so long as Chinese officials and people were "accommodating" in the matter, there was no real problem. Foreign authorities built roads where they pleased, and exercised authority on them as they pleased, and the Chinese meekly gave way.

Even under the Land Regulations, it may be noted, there is no provision giving the Settlement administrative jurisdiction over roads outside its boundaries. Its claim to jurisdiction, as noted above, is that of a claim over foreign "extra-territorial" property. But roads are most obviously a public utility, an indispensable public necessity, in a different category from most forms of property. And the assertion of foreign jurisdiction over them is not limited to mere "protection" in case of need, as with most extraterritorial property, but in practice means the assumption of policing powers and insistence upon its own licensing,—i.e., charging the Chinese community for using the thoroughfares through Chinese territory. When it is mentioned that to all this has been added at times the actual assertion of Settlement jurisdiction over Chinese property (Chinese in fact, but registered as foreign under deed of trust arrangement) adjoining and facing on these roads, what it means to Chinese sovereignty is obvious.

The most serious thing of all is the fact that these roads have actually been used by foreign military forces as a war base against China. This was the case two years ago, when the Japanese were assigned, by the other Settlement Powers, the North Szechuen Road and other areas north of Range Road, and used the area as a base of action for the destruction of the great industrial center of Chapei and the final establishment of a virtual protectorate over the Chinese districts of Shanghai. For the terms of the agreement finally reached provide that no Chinese troops can be stationed in these areas,—except of course with Japanese consent. What this means in practice, of course, is that no Chinese administration of which the Japanese disapprove can be established here, for every administration must have a backing of force in case of need. And the Japanese today have their barracks out on North

Szechuan Road, far beyond Settlement limits, in legally Chinese-administered territory.

A number of years ago Chinese resistance to foreign encroachments began, and there has been sporadic interference at times with Settlement roads through Chinese territory, ditches having been dug across them and other methods having been employed, mostly in the Western district, where the real estate interests involved are mostly British and American, and where the great bulk of the extra-Settlement roads (nearly fifty miles in all) are located. It is in the Northern district, with only about five miles of these "outside" roads, that the big Japanese community is largely located.

After the conclusion of the Shanghai War, negotiations were entered into for a Sino-foreign agreement over extra-Settlement roads, and it was tentatively agreed that a special police force be formed for these roads, both Chinese and Settlement interests being taken into consideration. The Japanese insisted, however, upon at least two or three Japanese senior police officials in the proposed force. Chinese public opinion could hardly be expected to agree to this, and the negotiations were suspended last October.

The situation still remains unsettled. In actual practice, the roads are still policed by the S.M.C., which requires licenses from vehicles using the roads. Shanghai Diehards are now vehemently protesting against the Chinese authorities making roads upon Chinese territory immediately adjoining Settlement roads,—i.e., constituting a widening of the existing roads which may require vehicles passing through this Chinese territory to actually obtain Chinese licenses.

It should be added that the roads are, under the circumstances, quite inadequately policed. The S.M.C. is not in a position to establish, along some fifty miles of extra-Settlement roads, sufficient police to maintain order and regulate traffic. Accordingly, in case a foreign motor-car with Settlement license runs down a Chinese, it may speed on unregarded, unless the Chinese police take action. Such a case happened recently, and the car was of course taken to a Chinese police station and investigation made, while a crowd of onlookers naturally gathered about the car and stared curiously at the foreign woman, and the victim of the accident, inside. This was the basis of a furious attack, by a notorious Diehard writer here, upon the Chinese authorities. The Shanghai Municipal Council met and discussed the situation on January 10, and a week later issued a statement referring to "recent incidents which had resulted from the unauthorized attitude of certain City Government police that vehicles using Municipal Council roads outside the Settlement should carry Chinese licenses, an attitude which was entirely erroneous because the Shanghai City Government had never issued such instructions to the Police . . . The City Government should give instructions to its police that Chinese licenses are not necessary for vehicles using Municipal Council roads."

This was responded to by a statement from a spokesman of the Shanghai City Government, declaring that it was "not true that an agreement has been reached with the Shanghai Municipal Council that Chinese licenses would not be required on such roads," though also declaring that the Police Department had been instructed "that no vehicles should be detained or taken to the police station in case of violation of traffic regulations, but that their numbers should be noted and the facts reported to the authorities. . . . "

One interesting point in the matter is the appearance of an announcement in the Chinese press here, toward the end of 1933, of a change in status of the extra-Settlement roads by which all vehicles using these roads, as from January 1, 1934, would have to obtain Chinese licenses. The Council, in connection with this, stated that it "had been assured that these press statements were unauthorized. No corrections, however, were made in the Chinese press. Since the beginning of the year a number of foreign residents had been stopped and inconvenienced, and there was no doubt that subordinate members of the Chinese police were acting on the assumption that Chinese vehicle licenses were required on these roads. . . . The Chief of Police of the City Government . . . had stated that he would issue instructions that such action was to cease."

Thus the matter rests, for the present.

Soviet War Minister on "Hogs' Snouts"---C. E. R. Employees to Be Released

WHETHER its was merely a coincidence or an example of cause and effect, the fact remains that following right on the heels of remarks made by M. Voroshilov, People's Commissar of War and Navy, in the course of an inflammatory speech at the 17th Congress of the Communist Party of the Soviet Union aimed directly at Japan, the announcement came from Changchun that the six Soviet Russian officials of the Chinese Eastern Railway, arrested and imprisoned since last November, would soon be released. The Manchukuo (Japanese) Government had thus changed its attitude for the third time. The arrest of these men last November caused great consternation in Russian Government and industrial circles and put an end to negotiations for the sale of the C. E. R. to Manchukuo. The situation became more tense as weeks passed and finally, several weeks ago, the Manchukuo Government announced that at least some of these men would be given their freedom. A week later, however, the Manchukuo Government just as suddenly announced they would not be released. Regarding the appointment of successors to the six officials, Manchukuo has insisted upon the appointment of "Manchurians" or at least Russians acceptable to Changchun, while the Soviet Government has insisted upon making its own appointments without first obtaining Changchun's approval of the names.

Referring back to M. Voroshilov's speech, it is interesting to note that the metaphor of the "hogs' snouts" was once more brought into play. The Soviet War Commissar, among other things, said :—

> "It has now become clear to everybody that Japan was the first to choose war, as the way out of the crisis. She is the main purchaser of munitions and raw materials for the war industry in the world markets. Simultaneously, tremendous work carried out in Japan in connection with political preparations of the country for a war, more serious than that which she wages against China, is visible with the naked eye.
>
> "During the past few years, Japanese military writers, military newspapermen, scientists, factory owners, public men, and statesmen, openly wrote and spoke so much about the necessity of war by Japan against the Soviet Union, and sometimes so cynically and frankly discussed in articles and speeches the details of the conquest of our Maritime Provinces, the Transbaikal region, and even the whole of Siberia, that it would be strange, if we

made believe that we do not notice anything, and regarded our dear neighbor as trustingly as we used to formerly.

"Japan not only has now become the actual master of Manchuria, but after having become it, she not only failed to secure Soviet interests on the C.E.R., as she had promised of her own accord and was obliged to do, but, on the contrary, helped in every way the Manchurian side of the C.E.R. to injure our interests. It is remarkable that Japanese 'businessmen,' while carrying on preparations for war against us, without concealing them, but, on the contrary announcing them to the whole world through their press, at the same time are not disinclined, against their own conscience, to accuse us of military schemes against Japan. The measures of defence of our frontier towns are a regular eyesore for the Japanese. It would naturally be more agreeable to our neighbor if our frontiers with Manchukuo were as defenceless as the Chinese frontiers were badly sheltered in 1931. But our amiability does not go so far as to give anybody this pleasure.

"Manchuria is gradually turning into the most powerful base of Japan. Japanese military forces in Manchuria have reached already a strength unnecessary for the 'defence of Japanese interests' in that 'independent' state. The growth of the number of troops and armaments in Manchuria continues. All this, in connection with the events which occurred and continue to occur in Manchuria and China, cannot fail to dictate our remaining on guard, steadily following everything which occurs in Japan, adopting necessary measures at home, and being prepared for everything.

"The Far East is covered with clouds out of which the war storm may break out. Regardless of the efforts of our diplomats, we have so far not succeeded in impressing upon the ruling circles in Japan that peace is better than war, that war against us will not be an easy, simple, small war for the Japanese imperialists.

"Lenin said in 1922, after the evacuation of Vladivostok by the Japanese Army: 'Vladivostok is far away, but that town is ours.' That town of ours, as also the entire Maritime Province, our Northern Sakhalin, our Kamchatka, every inch of our entire Far Eastern torritory—we must defend at all costs, and shall certainly defend.

"We have now a sufficient number of modern tanks, we have decent artillery, both with regard to its quantity and quality, an entirely satisfactory number of good machine-guns (light, heavy, tank, aviation, anti-aircraft machine-guns) of our own makes. We now have a powerful chemical industry, and means of communication that are not bad. In 1930 the U.S.S.R. aviation force was insufficient. During the past three and-a-half years we have created a powerful, heavy bombing force and achieved improvement in all other types of aircraft.

"Our enemies' dreams about conquests at our expense, about the destruction of communism, can be explained solely by their boundless bluntness and deep ignorance, and by the fact that that they are doomed. Only narrow-mindedness and stupidity, which are evidently unavoidable, as the consequence of capitalism being doomed, can suggest such ideas to our class enemies. Our party, the working class, and all toilers of the U.S.S.R. now represent such a great force, such an enormous unity, such power, such an organized army of fighters, that minor defects and deficiences still accompanying our construction work are only tiny scratches on the tremendous building we have erected already —its name is the Union of Soviet Socialist Republics. We already live there not badly. Having such a powerful party, so splendidly an organized working class, as ours, such a wonderful ally as our collective farmers have been and have particularly become now, such a tried and wise and great leader, as our Stalin, we fearlessly look into the future. From day to day, we shall secure new victories, and no hog's or worse snout, wherever it appears, will succeed in frightening Bolsheviks or arresting our irrepressible advance."

War between Russia and Japan is unavoidable, according to a Washington dispatch printed in the *New York Times* on January 30. The article stated that the military experts of America believe that a Soviet-Japanese war is just a question of time, the *Asahi* reported. It was surmised that Japan will not make a move until she is assured of the support of some European nation. The New York *Herald-Tribune* in an article made reference to a statement made by Admiral Osumi, Japan Navy Minister. At the Diet session Osumi stated that Japan is expecting a crisis in 1935. If the naval treaty is abolished, England will become free to erect a powerful naval base at Hongkong, and the United States will be able to complete her 8-inch gun cruisers. The report to the *Asahi* also added that American newspapers and magazines are discussing the military affairs of Japan every day.

Italian Marquis Sees "Menace" in Japan

A cry of alarm against the "menace" of Japan's naval policies and recent activities was raised in the Italian budget committee's report on naval expenditures, which was distributed in the Chamber of Deputies at Rome Jan. 2. "Japan today invades China; inspired by race hatred, she will plan tomorrow against white men," said the Marchese Giacomo Medici del Vascello, the committee's reporter, in revealing that Italy's naval budget of 98,731,000 lire for 1934-35 is 14,536,000 lire under that for the current fiscal year. Referring to Japan's naval activities, the Marchese declared: "The groundwork for this future danger from the East is perhaps being laid. It was revealed in Japan's recent policies and diplomacy, including her withdrawal from the League of Nations. This gesture is of great importance and is highly significant and menacing. She quit the League in 1933 because of the very clauses in the convenant which she once accepted, and in 1935—a time of still graver decisions—she will have full and unconditional freedom of action." Citing the American, British and Japanese naval building programs, the Marchese said the year 1934 brought a resumption of a race for naval armaments in preparation for the treaty expirations. He said the Washington and London pacts had never accomplished the purpose of arresting naval rivalry between Japan and the United States.

Japan's Strategic Communications in North Manchuria

An article headed "Japan's War Plans," accompanied by a remarkable map tracing Japan's strategic communications in northern Manchukuo, was featured in the London *News Chronicle* Feb. 5. The article, written by A. J. Cummings, states that the map has been obtained from an authoritative source hitherto unpublished nor fully known to the Powers. The map shows projected railways from Tsitsihar to Sahali and a

military road from Harbin to Lahasusu flanking a projected railway from Kaiko to Ninguta and Lahasusu. There is also depicted on the map a railway from Solun to Hailar, thus doubling the lines of communication to Manchuli. The article states that airdromes have been built at Hailar, Mergen, Sahalian, Manchuli, Ninguta, Mishan, Pogranitchnaia and other points alongside the Soviet frontier. It also says that military highways now being constructed total a length of 7,360 kilometers.

Japan Sees No Necessity for Non-Aggression Pact

During question time at the plenary budget session in the Japanese House of Representatives in Tokyo Feb. 5 Foreign Minister Hirota, in reply to an interpellation from Mr. Kiyose of the Kokumin Domei, on Soviet-Japanese relations said that, contrary to Mr. Kiyose's assumption, Japan had never rejected Soviet Russia's offer for the ratification of a non-aggression pact, but that these negotiations were in abeyance as Japan was desirous of taking more time for study. Mr. Hirota pointed out that the Japanese principle is to solve all outstanding questions separately before going into negotiations of non-aggression with Russia, while Soviet Russia prefers to settle them in succession. In conclusion, he added that should all other questions be settled amicably he did not see the necessity of concluding any non-aggression pact with Russia.

Japan Fails to Pay for Troop Transportation

The Soviet Foreign office in Moscow Feb. 3 issued a statement denouncing Japan's refusal or neglect to pay more than 20,000,000 roubles for transportation of Japanese troops on the Chinese Eastern Railway and charging Japan with unlawful interference with operations of the C. E. R., incidentally mentioning the wholesale arrests of Soviet rail workers. The Soviet Consulate in Harbarovsk reported to the Foreign Office that the Soviet Manager of the Chinese Eastern in Harbin had demanded that the Japanese military pay 20,729,000 roubles which are in arrears for transportation of Japanese troops in Manchuria. Japan, in 1933, paid an "insignificant sum of 435,000 roubles and still delayed payment of the balances despite frequent reminders of the indebtedness, he said. The same Consulate reported that Japanese officials in Pogranitchnaya were "obstinately outdoing themselves" in interfering with the successful operation of the Chinese Eastern Railway. Among other things, Japanese officials delayed and halted freight designed for Pacific ports belonging to German and other firms who are exporting by the Trans-Siberian route, the Soviet Consul charged. This delay, the report stated, was being accomplished when the freight is being transferred between the Chinese Eastern and the Soviet-owned Ussurian Railway.

Red Troops Get Extra Pay in Eastern Siberia

One of the most important decrees in recent years has been issued under the signatures of Joseph Stalin, General Secretary of the Communist Party, and M. Molotov, president of the Council of People's Commissars and of the Council of Labor and Defense, raising the pay of Red Army troops in parts of Eastern Siberia and Transbaikalia. The wages of office-workers will be raised by 10 to 30%; and collective farms and their workers will be relieved from obligatory deliveries to the State for a period of six years and individual peasants for a period of three years.

Dr. W. W. Yen Sees Great Possibility of Russo-Japanese Conflict

Dr. W. W. Yen, Chinese Ambassador to Moscow, on arriving back in Shanghai Feb. 3, repeated in an interview assertions he had made *enroute* at Singapore and Hongkong, that there was a great possibility of a war between Soviet Russia and Japan. "The government and people in U.S.S.R. are devoting their whole attention to the execution of the second Five Year Plan, following the successful completion of the first one and they are not desirous of any trouble with any foreign Powers. But in case war is forced upon her, Soviet Russia will resist with all her might," Dr. Yen stated. The returning ambassador said he wished to see peace maintained in the Far East, because China would not benefit from any international conflict in the Pacific area.

Chinese Newspaper Says Second Russo-Japanese War Is Unavoidable

The *Chen Pao* (Shanghai) comments:—"The speech of M. Stalin, which unmistakably indicates the Soviet's determination to prepare for the next world war, is bound to hasten similar preparations on the part of Japan, whose military are undoubtedly chagrined by the Soviet exposure of their plots to seize the Russian Maritime Provinces. Mr. Stalin's address has indirectly dashed away all hopes for the avoidance of a second Russo-Japanese War."

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Lord Marley Comments on the Far Eastern War Menace

Lord Marley, Chairman of the Committee for Assistance to the Victims of German Fascism, before departing for the United States declared to the London correspondent of *Pravda* Feb. 1 that he intends to make reports to New York, Chicago, Washington, Los Angeles, San Francisco, and other American centers dealing with the terror of German Fascism and the war menace in the Far East. Marley gave it as his opinion that the world was directly menaced with war from the side of Japan. The Japanese militarists cherish the plan of seizing all China, also a military attack upon the Soviet Union. According to Marley, British circles in the Far East are reconciled to the idea of Japan's hegemony. Marley also pointed out that the masses of the Chinese people were the warmest sympathizers with the Soviet Union. During his stay in China he observed this at every stop. A Japanese militarist attack upon the Soviet Union would be unsuccessful, for the U.S.S.R. was powerful and the Chinese people would be on its side to the end, Marley concluded.

Japanese Navy Office Opposed to Revison of Washington Naval Treaty on Ratio Basis

With the approach of the Washington Conference in 1935, the Japanese Navy Office authorities are seriously considering measures to be taken regarding Japan's future naval strength. *Rengo News* agency learns that the Japanese Navy Office is opposed to a revision of the existing naval treaty in accordance with the principle of ratio. The Navy Office contends that ratio is a matter of quantity and not of quality, and if the United States plans to launch the ship building program to the maximum extent allowed by the London Naval Treaty, Japan would also be forced to accomplish the so-called second replenishment program of the navy. The result would be that the sole object of disarmament—which is a reduction of national burden—will come to nought and fears for war will be doubled accordingly, the Japanese Navy Office argues. "Enough ships to defend and insufficient ships to attack," which has been the motto of the Japanese Navy authorities at the London and Washington Conferences, is the best means to be taken to satisfy the "noble object of disarmament," according to the Navy Office.

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Admiral Ohsumi Says Japan Must Be Prepared

Alleged violations of the Chinese Territorial Integrity Treaty were the subject of a heated debate Feb. 6 during the meeting of the House of Peers in Tokyo.

Atsushi Akaike, one of the leaders of the Dowa-kai Party, asserted that the treaty was violated by the establishment of the China National Aviation Corporation and by the setting up of Soviet districts in Kiangsi and other provinces. He claimed that the C.N.A.C. has a secret agreement with the United States, which, he contended, is of great importance from a military viewpoint.

Replying to these charges, Koki Hirota, Minister of Foreign Affairs, stated that the Government did not consider the Chinese National Aviation Corporation a militaristic institution and said that it was still too early to regard the Soviet districts in China as representing any ceding of Chinese territory.

During this interpellation Mr. Akaike also asked if the relations between Japan and Soviet Russia would not take a sudden turn for the worse as a result of the Manchurian problem.

The Foreign Minister replied that the Government has not ceased in its efforts to bring about better relations with Russia.

Mr. Hirota declared that if he did not succeed in bringing these efforts to successful realization, he would resign from his post.

Viscount T. Ohkochi next mounted the tribune and asked to be informed regarding the actual status of Russo-Japanese and Sino-Japanese relations and if there was any foundation for the widely spread rumor that Japan and Russia will soon be at war with one another.

Mr. Hirota, as well as Gen. Senjuro Hayashi, Minister of War, and Admiral Ohsumi, Minister of the Navy, each declared that there was no danger of war with Russia at the present time. Mr. Hirota said that Japan had waged wars only when compelled to do so in order to protect the country and that there was no reason to assume that relations between Japan and Russia should become worse.

Admiral Ohsumi said that, while Japan has no intention of starting a war against any nation, it was nevertheless necessary for Japan to be prepared.

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General Hishikari Wants Russia to "Understand"

General Takashi Hishikari, Japanese commander in chief and ambassador in Manchukuo, on arriving at Dairen, Feb. 5, said Russia does not understand Japan and he hopes that there will be no "acidental incidents," in referring to Soviet military preparations along the Manchukuo borders. The general, in a statement, said it would be a good thing to send private individuals on unofficial missions to Moscow to alleviate the tension between the two countries.

He says it "appears" that Russia has surrounded the greater part of Manchukuo's frontiers with military establishments, active military bases having been established at Vladivostok, Spaskaia, Blagoveschensk, Harbarovsk and Dauryia.

"I do not know whether these military establishments have been built for defensive or for offensive purposes, or in fact what the Soviets are aiming to do. But this is a time when we should all be most careful not to create any accidental incidents."

The general expressed profound regret that Russia "misunderstands Japan. The fact that Soviet Russia has established extensive fortifications along the Siberian frontier reflects a lack of understanding of Japanese policy."

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AMIDST all the talk of a possible war in the Far East—which, should it start, would undoubtedly develop into a world war of even greater proportions than that of 1914-18—Americans will naturally ask, "Where Should America Stand?" or "Where Does America Stand?" When, and if, this second world war breaks out, with its genesis in the Far East, America will undoubtedly be in it. It is hardly possible to visualize a situation of such a character that America could keep out of it. That it will be foolish of mankind to engage in such a war is a hypothesis that can easily be demonstrated. The world has not yet paid for the last war and as a matter of fact never will. Wars are never fought except with borrowed money. The generation that fights, hopes that the generations yet unborn will gladly sweat all their lives in order that they may honor the promises to pay that their forbears have issued. The Russians were the first to upset that theory. They calmly told holders of the paper which bore the promises to pay that they could do what they liked with it, for the Russian people did not intend to pay. Other nations have, to a certain extent, followed the Russian example, and, to use a slang expression, America is now holding the bag—her "reward" for entering a war that under similar conditions to-day America would probably hesitate even more about entering than she did when she finally threw in her lot against the Germans in 1917. America, it is charged by some writers, really went into the European war, in the last analysis, in order to protect its investments. One German jibe since the war has been that Germany lost the war because she didn't owe America enough money. But even so, calculated in mere dollars and cents, America's ledger stands deeply in the red as the result of her participation in the World War.

One of the difficulties that America will have in an aventual war in the Far East, in case she should side against Japan, is that she will be placed in the position of commencing to smash up the security for the huge American investments in the Island Empire. But that phase of the subject will doubtless be forgotten if matters of principle dictate that a conflict with Japan is advisable. No matter what the world line-up may be in an eventual conflict arising out of conditions in the Far East, America will, undoubtedly, be placed in a most difficult position—not so much in the matter of fighting as in the matter of making clear her policy. Let it not be forgotten that in one respect the Chinese and Japanese have an equal grievance against America (in common with several other countries) and that is the assumption that a people are inferior because they are Orientals. On that issue Japanese and Chinese (and other Orientals) will unite against America, regardless of how they differ on other points.

These few lines are written not with the object of advising Americans to keep out of any world war having its cause in the Far Eastern situation. That would be a counsel of perfection, not by any conceivable combination of circumstances likely to be realized. But Americans should keep in mind always one question: When the end of such a war finally comes—and all wars eventually come to an end—what shall America stand before the world as supporting? Let it be assumed that it will be a very different sort of a world that will emerge from such a war than the one that exists at present. One of the almost inevitable results will be that Western domination of Far Eastern possessions will come to an end. Europeans have held these possessions in recent years with a very weak thread. The European hold on these Far Eastern possessions has generally been characterized by a series of compromises involving relaxation of the tightness of the grip. That has been particularly true of the British in India. The Netherlands' hold on its Far Eastern possessions is based on prowess of past years, not on the actualities of the moment. And, so far as the Philippines are concerned, America has at least made a gesture towards freeing them.

It is quite possible that American participation in any Far Eastern conflict might furnish the turning point to decide the issue one way or the other, just as was the case in 1917-18. But America could not afford to let itself be placed in the position before Orientals of subscribing, or appearing to subscribe, to the doctrine that Far Eastern people shall continue to be subject to various *Occidental* countries either in their economic or their political life. Yet that is a problem which might arise and on which America would be called to give a decision. Let it not be forgotten also that still another possible situation might arise, calling for decision: Will America stand idly by and possibly see an *Oriental* Power lord it over the people that have been freed from the European yoke?

G. W. M.

Tientsin Customs to Continue Collection of Flood Surtaxes?

The proposal of the Hopei Provincial Government that a joint petition be submitted to the Executive Yuan by the Provincial Governments of Hopei, Honan and Shantung to continue for another year the surtax on the Hai Ho (river), collected by the Tientsin Customs, so as to provide funds for the rehabilitation of the districts in Hopei devastated by the Yellow River Floods, was adopted at a meeting of the Shantung Provincial Government Committee Jan. 30.

Japanese Ship Tonnage Rises—That of U. S. Drops

In a statement covering the last quarter of 1933, the new issue of Lloyd's Shipping Register points to an improvement in the shipbuilding industry in a number of countries. Japanese tonnage, it states, increased 25 per cent, while that of Great Britain, Ireland and Spain had increased 10 per cent. The shipbuilding output in the United States decreased 10 per cent, and that in Italy declined 50 per cent.

Can the Kuomintang Arrest the Accelerating Process of Disintegration of China?

WHILE factional strifes and personal bickerings within the framework of the Kuomintang cluster thick and inextricable, new and fresh border outbreaks of wide dimensions are surging up in all regions of China in rapid succession. The latest in the train is the Mohammedan uprising in Southern Sinkiang in the form of an independent government with the highly nationalist-colored slogan "Banish the Chinese from Sinkiang." The movement is symptomatic not only of a grave situation in China's northewest frontier, but also illustrative of the uncheckable process of disintegration of the country and of the renewed intrigues among the Imperialist Powers for her eventual partition. As present events irresistibly show, China is rapidly climaxing a fatal crisis of complete collapse and the present process of decomposition within seems to hasten its advent.

In territorial possessions, China today is but a shadow of her former self half a century ago and in point of nternal organization, she is the very embodiment of chaos and confusion. Speaking of the former, Edgar Snow, correspondent of the New York Consolidated Press Association, in an article entitled "Fifty Years of the Vivisection of China" in the *Review* on May 20, 1933, wrote the following significant words:

> "Since 1883, China has lost hegemony over 2,414,193 square miles of territory in Eastern Asia—a disintegration more swift and fatal than that which overtook the the Roman, Greek, Byzantine and Egyptian empires. There still remain something over 2,000,000 square miles of the erstwhile Flowery Kingdom to be carved up, but the appetite of Japan, increasingly avid, threatens it with early extinction."

Referring to the existing political situation in China, the *Shanghai Evening Post* in an editorial on the Sinkiang uprising on Jan. 20, 1934 made the following pertinent remark:

> "China at the present is divided into an Indianized Sinkiang, a French Yunnan, a Soviet Mongolia, a Japanese Manchuria and Jehol, Communist areas in Kiangsi, Fukien, Hupeh, Hunan, Anhui and other points too numerous to mention, together with tripartite Shanghai and probably half-a-dozen other things we've neglected to mention, such as, for example, that 'Republic of China' having Headquarters at Nanking. . . . About the only puzzle is how much China can be whittled down and still remain China."

These two statements epitomize the history of fifty years of decline and fall of the Chinese nation and are a saddening comment on the blessings of the two decades of Republican Rule under militarist groups and political parties.

Disintegration of China sets in half a century ago, 1889, when she suffered her first incision at the hands of the French in the annexation of a former dependency, Annam, but since Sept. 1931, the process has been accelerated at an alarming rate. The easy seizure of the Three Eastren Provinces and Jehol, an area of 440,000 square miles, by Japan has also whetted the appetite of the Powers of Western Imperialism. The Soviet has established control over Outer Mongolia. The French are looking for the first opportunity to lay hand on Yunnan, long earmarked as a French sphere of influence, while present events in Tibet and Sinkiang point to strong and justifiable suspicions that the British are the real movers behind the scene. Added to this long list of border menaces, is the uproar in Inner Mongolia, demanding autonomous government, while a report recently circulated states to the effect that the tribes in Chinghai (Kokonor) are likewise following suit and staking a similar demand. Within China Proper, the situation remains as chaotic as ever with never-ending political complications and intermittent armed rebellions. Scarcely has the Fukien revolt been suppressed, than another civil war breaks out in the Northwest between two regional militarists, Sun Tien-ying and Ma Hung-kuei, with sanguinary battles fought in the sparsely populated province of Ninghsia. The war has absolutely no justification in principle and is frankly a personal struggle for power and territory between two rival militarists. It marks nothing but an added strain on the accelerated process of internal decomposition of the country. The situation in the Northwest created by this petty strife is pregnant of dangerous possibilities which not only serve to clear the way for the Japanese to launch their impending drive into Mongolia, but may also provoke a racial struggle between the Chinese and the Mohammedans resulting in another another flaring-up of a Mongolian demand for independence.

It is not the purpose of this article to detail the history of the break-up of China or to attempt to generalise the chaotic conditions in the country, but to impress upon the ruling class in China the dangers of the hastening process of disintegration without and decomposition within. The proverbial complaint about China in the imminent future will not be "a China too big to be governed" by any ambitious individual, but "a China too narrowed in scope and dimension" to afford enough ground for the exhilarating show of gladiatorial contests between regional warlords or even between the Nanking Armies and Central China Communists. As the situation now stands with the ruling Kuomintang split into so many factions, with officials engrossing their attention in the pursuit of selfish ends, with civil wars surging up in vertiginous rapidity and with the Powers of Western and Eastern Imperialism ready to pounce upon her borders, the country seems foredoomed to face utter collapse, unless efforts are exerted to arrest the progress of the present tendency of disintegration of the country. The lion share of responsibility for this historic task must weigh heavy on the shoulders of the Kuomintang, in whose hands the fate of the country is entrusted, but as the self imposed ruling party in China, it can not evade this responsibility. It must either prove itself capable to live up to this task or has to forfeit its own domination or even its existence.

The question of internal unification and stability is an eternal problem in Chinese politics. The past two decades symbolize nothing but a vain pursuit of that elusive ghost. It might not have proved so difficult of attainment, had there been honest and unselfish leadership. In the light of history, all the wars and revolutions during the past twenty years are meaningless. Probably, with the sole exception of the nationalist Revolution of 1926-27, the rest are one and all selfish struggles between selfish individuals for selfish ends. Because the energies and talents of the country have been absorbed and sacrificed in these internecine strifes, border affairs have been utterly neglected. While the Manchus had lost territority through ignorance and stupidity, the Republic has permitted China's frontiers to deteriorate by sheer neglect and indifference. From the Peking regime down to the present Kuomintang rule, the policy has been one and the same—that of procrastination and inaction, featured at times by some frantic but fitful attempts at reform.

Relations between the Central Government and the border districts have since the establishment of the Republic never been close. Not only the orders of the Government can not reach the far-flung regions in normal times, but it does not even possess any definite information about the conditions in those districts. Whenever reports of a border outbreak are received, the Government seems first to be surprised, then issues a customary denial, next orders an investigation, and, if convinced that they are true, finally lodges a protest with somebody at some time and lets it go at that. This procedure in part or in stages has happened to the French occupation of the Nine Coral Islands and is being applied to the Mongolian autonomy movement, the Tibetan situation and the present Sinkiang uprising.

As an indication of the colossal ignorance of the authorities, both Nanking and Canton had been puzzled for months even to locate the nine Coral Islands in the South Seas which undoubtedly belong to China. It was only after much telegraphic instruction to the consular agents in the Straits Settlements and at Manila that some definite information was secured as regards the location and character of these islands, over which in the meantime the French National Colors had flown high and secure. While Japan, which had no claims over the Islands at all, stirred up such a great fuss about it with the French Government, China gently surrendered them to France in perfect diplomatic manner by lodging a protest and ending the matter at that. The same thing had happened to the Mongolian autonomy movement. When the first information of the movement was received in Peiping, it was denied and rigidly suppressed by the authorities. After the situation threatened to become serious, the Government dispatched an envoy to Inner Mongolia in an attempt to patch up the trouble. Although an agreement is said to have been reached, the question as yet forms a bone of contention between the Government and the Mongolians.

As regards the Tibetan situation, since the death of the Dalai Lama, the Government has been given to much verbosity, but has done nothing. For more than two months, the Government has succeeded only in choosing an envoy to go to Tibet and according to the latest information from Nanking, the chosen envoy will not be able to reach Lhasa until another three months have elapsed. Granting that he would be there by the end of the next three months, how much he could accomplish in cementing the relations between the Government and the Lama rulers still remains a question. In the course of the next three months, anything might happen in Tibet. As the Government procrastinates, Imperialistic intrigues are developing and maturing. They soon will reach a point when Nanking will find even the dispatch of an envoy unnecessary and leave Tibet to its fate.

In regard to the Sinkiang situation, positive and energetic measures have long been in demand to liquidate the personal struggles for power between the two rival militarists, Sheng Shih-tsai and Ma Chung-ying. A situation of civil war has been in existence in Sinkiang for almost a year since the Mohammedan outbreak for the overthrow of Chin Shu-jen, autocratic ruler of that province. During this long period, when the tides of war surged to and fro between Sheng and Ma, the Government made no efforts to assert authority in settling the situation, but permitted it to develop according to its own course. Beyond the dispatch of two peace envoys to Tihua, Capital of Sinkiang, who by the way were utterly helpless to achieve any definite result, the Government has refused to exert itself further, although a large Government Army has been stationed on the Kansu-Sinkiang border and by its tactful use, the situation might be easily brought under control. While the feuds between Sheng and Ma continue with unabated vigor and vehemence, chaos spreads far and wide and now has extended to Southern Sinkiang. Evidently instigated by the Mohammedan upstart, Ma Chung-ying, and backed up by foreign intrigue, the uprising at Kashgar on the border of Sinkiang and Afganistan once more surprised the Government officials at Nanking. When the news of the Kashgar independence movement was first broadcasted by the Soviet *Tass* agency, the Government worked itself up in wiring Legations and Consulates abroad to secure "second-hand" information about the affair. In the meantime, high officials of the Government make an effort to deceive themselves that the news could not be true and, in pursuance of that hope, a vice-Minister of an important Ministry was creditted with a statement, denying in categorical terms the falsity of the information and characterising it as a fabrication by the rebel Ma Chung-ying to mislead the public. Later, as the ominous news was confirmed from other sources, the same vice-Minister issued a denial in equal unequivocal terms that he ever made the previous statement. This incident indicates that the men charged with the affairs in the country are completely in the dark as regards the conditions in the border regions. Even at this moment, when apparently international intrigue is actively at work for the partition of Sinkiang, the Government is hesitating to do anything to mend the trouble or restrict its development. Unable to devise a better or more effective method in dealing with the situation, the Government is said to be once more reverting to the favorite magic of sending peace envoys to the remote province to pacify the recalcitrant tribes who so naughtily distract their attention from their absorbing petty politics. Even this matter of sending envoys—already two had gone there and failed—requires a considerable time to reach a decision. As dispatches from Nanking bearing on the matter indicate, the Government shows no indication of "hurrying up" and is calmly, if not with complete indifference, watching the developments with folded arms. While Nanking delays, events are marching on their natural course. At present, tribal wars fanned by foreign intrigues are being waged in Kashgar, while fighting between Sheng Shih-tsai and Ma Chung-ying has again been renewed. The chaos and confusion is paving way for the dismemberment of the province among the Imperialist Powers.

Finally, to round out the story, it seems that despite the slow but sure penetration of Yunnan by the French, the Government has not vouchsafed even a little attention in that direction.

C. H. H.

Cuba Once More in Turmoil

The situation in Cuba again became very tense during the week. The Mendieta government declared itself prepared to act with energy according as the circumstances should require.

Disorders, provoked by a general strike spreading all over Cuba, continued in Havana. When the troops attacked the tobacco workers' syndicate Feb. 27, a fusillade broke out. Groups of demonstrators, shouting "Down with the government," marched to the presidential palace to protest against the abolition of the death penalty. Among the demonstrators there were mothers of the students executed under the Machado regime who, together with other demonstrators, considered that the abolition of the death penalty means that those responsible for the acts of violence will remain unpunished.

Cordell Hull, the American secretary of state, Feb 6 announced that the United States will shortly authorize imports of about 630,000 gallons of Cuban rum in order to assist the economic and financial recovery of the Island. Mr. Hull added that the United States government was carefully studying Cuba's needs and expressed the hope, that a satisfactory solution of the island's difficulties would be found shortly.

Young Marshal Buys Auburn Car in Shanghai

Being attracted by the display of cars in the showrooms of the Hartzenbush Motor Company, while passing along Avenue Foch on a recent evening, Marshal Chang Hsueh-liang made enquiries regarding the Auburn cars on view there. The result was that the next day a secretary of the Young Marshal called at the showrooms, and the eventual result was the sale to the Marshal of one of the latest model Auburn cars.

Murderer of Japanese Premier Who Befriended China Is Released from Prison

THE Japanese government last week released from prison Kenichi Nakaoka, who stabbed Prime Minister Takashi Hara to death at the Tokyo railway station on the evening of November 4, 1921. The murderer has been virtually pardoned—a fact which has attracted a great deal of interest in China. Mr. Hara was a liberal statesman and during his incumbency of office followed a policy of friendship with China, in striking contrast to the policy of bulldozing and aggression which has characterized the Land of the Rising Sun in its relations with the "Middle Kingdom" during the intervening twelve years. Although there are quite a large number of pardons to be put into force in Japan in honor of the birth of the Crown Prince, this particular clemency, for some reason or other, was granted ahead of the others. Nakaoka, from all accounts, was made quite a hero of in reactionary circles in Japan during the latter years of his prison term.

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Civilian Members of May 15 Conspiracy Heavily Sentenced

After 42 public trials lasting for over five months, sentences were handed down by Judge Kamigaki, of the Tokyo District Court, Feb. 3, upon 20 defendants, who were civilian members involved in the so-called May 15 affair, in 1932, when the late Premier Tsuyoshi Inukai was assassinated. Kozaburo Tachibana, the ringleader of the civilian members and a noted agrarian leader, was given life sentence, while Kunihihiko Goto, another prominent participator in the plot, and Dr. Shumei Okawa, a noted nationalist leader and formerly Director of the East Asia Economic Research Bureau, were sentenced to 15 years' imprisonment with penal servitude. Other defendants were given sentences ranging from 12 years to 3 years and 6 months. Before imposing the sentences, Judge Kamigaki explained the circumstances which led the defendants to join hands with army and navy compatriots to stage the murder in order to create disturbances aiming at the downfall of what they called corrupt politics.

More than 50 lawyers participated in the trial of these civilians. The trial ended on January 20. The defendants were charged with violation of the regulations for handling explosives, murder, attempted murder and assisting in murder.

The sentences on the civilians are severe in comparison with the sentences imposed several months ago on the military and naval defendants, the maximum sentence on the latter being 15 years imprisonment.

Japan to Grant Amnesty in Celebration of Birth of the Crown Prince

An Imperial decree granting amnesty to most classes of prisoners in Japan in commemoration of the Crown Prince, will be issued February 11 on the 2594th anniversary of the accession of Emperor Jimmu, Japan's first emperor. The decree will affect all prisoners who were sentenced prior to February 11 except those convicted of offences against the Imperial family, violators of the military secrets law, counterfeiters and persons who have murdered members of their own family. Under the decree, prisoners who have been sentenced to death will be given life imprisonment, those under life sentence will be given 20 years imprisonment and other reductions are made accordingly. It is understood that the prisoners convicted in connection with the May 15 incident, and Tomeo Sagoya, assassin of Premier Yuko Hamaguchi, sentenced to death, will come within the terms of the decree.

Two Sons of Japanese Peers Sent to Prison

Emphasizing that special responsibilities devolve on the Peerage as the "bulwark of the Throne," Judge Katsumi Tarumi in Tokyo Jan. 2 imposed severe prison terms on the sons of of two Viscounts convicted of Communistic activities. He imposed a term of three years on Takanaga Hachijo, second son of Viscount Takamasa Hachijo, former member of the House of Peers and a term of two years on Toshimori Mori, eldest son of Viscount Toshinari Mori, chairman of the Tokyo Municipal Assembly. "Members of the Throne are under special obligation to work in the interests of the nation." The defendants for a long period of time carried on a movement aimed at a change in the national status, and the disgrace can never be wiped out. A renunciation of Communistic beliefs now does not exculpate them. The Court attaches great gravity to the crime and will sentence the prisoners accordingly," the Judge said in passing sentence.

Belated News of Mid-Summer Communist Round-up

Raising the embargo placed on news of the Communist round-up at Kobe and Hakodate last July, the police in Tokyo, Feb. 5. revealed that altogether 476 persons, including 45 women, were arrested. Of these, however, only 48 were indicted. One of the offenders was charged with attempting to organize seamen and with planning to utilize a 100-ton fishing boat for the purpose of transporting Communists secretly between Russia and Japan.

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"Left" Versus "Right" in Japanese Politics

A discussion took place in the Japanese House of Representatives Jan. 26 on the subject of the freedom of speech, particularly among soldiers and sailors. Giju Yamamasu of the Minseito paid a tribute to the efforts being made by the authorities in arresting holders of extreme Left ideas, but asked what measures the Government employs in dealing with extreme Right ideas. Extreme Right ideas are as dangerous as extreme Left ideas. In the House the previous day, the interpellator said, both the War Minister and Navy Minister stated that although the meddling of soldiers and sailors on the active list in politics is forbidden under the army and navy criminal laws, they can discuss politics at familiar gatherings. But, said the speaker, it is to be feared that free discussion of politics by young officers at familiar gatherings gradually works them up into a mood such as drove those implicated in the May 15th affair to that heinous crime. The interpellator said he is inclined to think that there is something wanting in the methods of educating soldiers and sailors, as otherwise the May 15 affair might not have occurred. Mr. Yamamasu next emphasized the need of free speech. There are at present complaints of the suppression of free speech—one important factor in social uneasiness. The newspapers and magazines, he said, are subjected to frequent suppressions, a circumstance which gives rise to many canards; there is a widespread impression that a certain influence is at work to suppress free speech. Lastly, the interpellator attributed the growth of extreme Right and Left ideas to defective education, and urged the necessity of reform in the educational system.

General Hayashi (Minister for War), in reply, said that he did not mean to say that soldiers are at liberty to discuss politics at familiar gatherings. He meant to say that when in the course of their studies on national defence and armaments, solders have to direct their attention to matters of State administration, it cannot be interpreted as their meddling in politics. It is well-nigh impossible to keep soldiers from the slightest reference to all matters relating to politics. The traditional policy of military education has undergone no change, the War Minister further replied. Soldiers are taught to be loyal and fulfil their duties as the bulwark of national defence under the supreme command of the Emperor. There are now in Japan advocates of various theories, Right and Left, and from the necessity of educating and guiding their subordinates properly, officers are called upon to study their theories. They cannot afford to be entirely ignorant of them. Though they study various ideas, the traditional army spirit remains moderate and unbiassed. It is possible for officers to associate with Rightists or Leftists in an endeavor to know the ideas they hold, but it is absolutely wrong to suppose that the army is supporting the Rightists, the War Minister concluded.

Iron Merger Plan Attacked in Upper House

The impending merger of iron companies in Japan formed the basis for a severe attack against the Government in the House of Peers by Mitsunoshin Kamiyama Jan. 20. The interpellator asserted that reports were to be heard that Ministers of State were being involved in financial deals for purposes of personal gain, and criticizing the Government's method of evaluating iron works in arranging for the impending merger. The method of evaluating plants involved in the merger was particularly scored by the interpellator. He demanded to know why the system of evaluation had been changed in the past year, and intimated that the present provisions of the merger were unfavorable to the government plants involved and favorable to the private ones. He wound up his interpellation with the demand that the merger be postponed.

Premier Saito, in replying, said that one important effect of the merger would be the exercise of control over prices of iron. This, he thought, would result in making the industry more stable. He also pointed out that the merger had been approved

by the Diet at its last session. Baron Nakajima defended the methods of evaluation, asserting that they had been worked out by a committee especially appointed for the purpose.

Small Favorable Trade Balance for End of January

A favorable balance of a little over Yen 9,000,000 featured Japan's foreign trade for the last eleven days of January. The direct incentives were the increase in raw silk and cotton cloth exports and a decrease in raw cotton and wool imports.

Hero of Siberian Campaign Charged with Swindling Ex-Service Men

At one time regarded as a hero of the Siberian campaign, Masami Yanagisawa, a forty-two-year old reservist, special sergeant major and until recently an employe of the War Ministry, is now under arrest on various charges. According to the *Asahi* he is accused of swindling 21 ex-soldiers out of Yen 700 through the medium of his position with the War Office; and of abandoning a baby born to him by a 16-year-old girl whom he seduced. He was arrested by the Akasako gendarmerie on January 15 and a few days later was dismissed by the War Office.

Budget to Be Passed Feb. 12

It is expected that the final decision on the Government's budget bill will be made at the plenary budget session of February 12, in the House of Representatives, prior to passing at the formal session the next day. All the Cabinet Ministers are optimistic on the passage of the government's original budget in view of the apparent favorable turn in the attitude of political parties since the declaration of the government plan towards agrarian relief.

Diamond Smuggling Expected to Cost Accused Yen 17,800,000

Examination in connection with the diamond smuggling case which developed in Tokyo and Osaka last autumn is reported to be nearing completion. The affair involves a French subject and three Japanese, and concerns diamonds amounting to Yen 3,565,900 in value. Nure Tecla, a Syrian being concerned in connection with Yen 1,098,000 worth of these diamonds. Among fourteen dealers who had transactions with the smugglers is the Hattori Jewellery Store of Tokyo. Including after-collection of the evaded duties and confiscation of the diamonds, fines in the case are expected to total Yen 16,800,000. Another Syrian, named Chalhoub, involved in the case eluded arrest; he is now in France.

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Premier Hara's Murderer, Jailed in 1922, Is Freed

After serving only eleven years of a life sentence, Konichi Nakaoka, who assassinated Premier Hara at the Tokyo Station, Nov. 4, 1921 was released on a recent date, the exact time having been kept secret from the general public at the time, for fear that adherents of the former Premier might attempt to wreak vengeance on his murderer. Nakaoka was originally sentenced to death, but this was commuted to life imprisonment, and he has since benefitted by three reductions. Premier Hara was assassinated on the station platform, his murderer planting a knife in the statesman's back.

Late Premier Was Friend of China

(*By Hollington Tong in the China Press, Feb. 2*)

"Kenichi Nakaoka, who laid Hara, Japan's last liberal statesman, low at the Tokyo railway station, also struck a deathblow at Manchuria and part of Mongolia. The fear of the intrusion of a third party in the midst of the prolonged enmity between China and Japan following the latter's expansionist policy, which Hara gave on parting as his reason for conciliation with China, is capable of being transformed into a fact as long as Nakaoka or other Japanese who carry out assassinations of their statesmen from misdirected patriotism are lauded sky high. There could be no greater contrast between what might have been and what is, than when Chinese-Japanese relations are considered. Had the liberal policy of Mr. Hara been carried out, China and Japan would now be amicably working together to their mutual benefit, and also to the benefit of the whole world. Instead of that, Japan pursued a persistent policy of aggression culminating in an undeclared war. This led to the augmentation of the territory under Japan's control, but also to the practical ostracism of Japan. She has turned away her eyes from the one true light, and is stumbling on—whither?—guided by the fitful glare of war torches.

"Since the tragic event, we have heard more about this murderer than about Hara: his life in prison, his piety and his patriotism. The time between the imprisonment and liberation of the noted assassin marks the period of Japan's intensified aggression in China."

Japanese Feel That They Have Been "Betrayed" by India

The Government was bitterly attacked during the meeting of the Budget Committee of the Japanese House of Representatives Feb. 5 for the failure of the recent Indo-Japanese trade conference at New Delhi.

Kokichi Uyeda, of the Seiyukai Party, asked if the Government could not have taken action to prevent India from placing such a high tariff on Japanese piece goods, and suggested that it might be possible to take up the question with India at a later date.

In reply to this, Koki Hirota, Minister of Foreign Affairs, disclosed that the Tokyo Government is already negotiating with the Indian Government regarding the tariffs, but said he could not tell what the outcome would be. Mr. Uyeda asserted that in accepting such an agreement as was arrived at during the New Delhi conference, the Government should have exacted a promise from India not to increase the tariff on Japanese piece goods. The Minister of Foreign Affairs declined to answer this statement, but said that Japanese piece goods were to have received the most favored nation treatment and that therefore the action on the part of the Indian Government was totally unexpected.

"Do you consider that we have been betrayed by India?" asked Mr. Uyeda. "It might be said so," replied the Foreign Minister.

Elaborate Preparations for Pu Yi Enthronement

By James A. Mills

(*in the Shanghai Times*)

CHANGCHUN. — Approximately 2,850,000 Manchukuo yuan are being expended on the elaborate preparations going forward here for the Enthronement of Henry Pu Yi as Emperor of Manchuria.

This is fixed to take place on March 1, second anniversary of the establishment of Manchukuo under the shield of the Japanese Army. On that date solemn ceremonies will be held to mark the accession of the former "Boy Emperor" of China, now a young man of 28, to the throne from which he will reign over the 34,000,000 inhabitants of his new realm, to be known as the "Great Manchu Empire."

Because of the bitter winter of Manchuria, work has necessarily been suspended for a few months on the buildings of the new capital of Manchuria rising on the outskirts of Hsinking, including the million-dollar palace which the new Emperor is to occupy. The main indoor ceremonies therefore must be held in the drawing room of the modest residence of the Chief Executive Pu Yi's present title—in old Changchun. This old-fashioned building formerly was the headquarters of the Kirin Salt Administration. Its rooms are small and drab, and much congestion is expected when the Enthronement is held.

Picturesque Rite

But if the indoor ceremonies are a bit cramped, there will be plenty of space for the most picturseque rite of all, the new Emperor's sacrifice to Heaven. This will take place at dawn on an "Altar of Heaven"—copied from the magnificent marble structure in Peiping where Pu Yi's ancestors sacrificed for hundreds of years—which is now being erected on the frozen plain on which the new capital is rising. This is known as the Shuntien Kwancheng—"Broad Place of Obedience to Heaven."

There is no time to erect an altar of marble for Pu Yi's enthronement, but the Manchukuo authorities are transporting hundreds of tens of frozen earth to this place to make an eminence from which the Emperor may do obeisance before the only master a Son of Heaven publicly recognizes, the Supreme Master of the Universe.

Since the first dynasties in China—which tradition places as far back as 3000 B. C.—the public offering of sacrifices on the Altar of Heaven has been recognized by the Chinese as chief evidence of the authority of a sovereign to reign.

Manchukuo and Japanese authorities have amplified this theory by declaring that Pu Yi has won the right to rule over Manchuria's legions of farmers, artisans and others through a "happy unity of the desires of the people and of a divine mandate from Heaven." They further cite the Chief Executive's success during the last two years in administering Manchukuo as "tangible proof of destiny calling the former Boy Emperor of China back to the throne."

A "Sacred Way"

Thousands of workmen are laying out a "Sacred Way" from Pu Yi's present residence to the "Altar of Heaven." Attended

only by the highest Manchu dignitaries, the youthful Chief Executive, at sunrise on the morning of March 1, will pass over this road in an American automobile to the heavenly shrine, where he performs the principal ritual of his enthronement. Although this road is five miles long, it will be guarded all the way by Manchukuo and Japanese soldiers, and no plebeian foot, whether of native or foreigner, will be allowed to "profane" the path of the Emperor.

To secure solemn silence while the Emperor is "communing with God at the Altar of Heaven," all traffic, factory noises, whistles, etc., will be stilled, and no mortal being will be allowed to approach the heavenly shrine while Pu Yi is offering a burnt bullock as a sacrifice to God.

Secular Ceremonies

After the religious rites at the Altar of Heaven the new Emperor will return to his mansion in the city, where the secular ceremonies of accession will be held. Already the authorities are enlarging the room in which Pu Yi will receive the great jade seal which will invest him with imperial authority. But as thousands of applications to attend this ceremony already have been received from his future subjects in Manchuria and from abroad, it is certain that the new throne room will not be large enough to receive all who want to attend.

As she is in delicate health, the new Emperor's consort Yueh Hua ("Moon Flower")—also known as Kuo Hsia Si—will not participate in the ceremonies.

To signalize his elevation to the Throne, Pu Yi is expected to proclaim a general amnesty, applying especially to those who heretofore have been political enemies of the new regime in Manchuria. Another benevolent gesture is expected to be an announcement of reduction of taxes. He will also create a peerage of five ranks.

Military to Tighten Control on Manchuria

Wholesale reorganization of all official Japanese Government offices and departments in Manchuria will be undertaken by the Japanese Army following the abolition of extraterritoriality for Japanese nationals in Manchukuo. Military leaders told the Budget Committee of the House of Representatives in Tokyo Feb. 9 that Japanese administrative offices in Manchuria should be governed by a single officer and that the present four-head Administration under the "segregation policy" should be abolished. They expressed the desire to revise the Kwantung Leased Area Government so as to establish an Administration for both the Kwantung Leased Area and the South Manchuria Railway Zone governed by a civil official and not by the Commander of the Kwantung Army as at present. A civil official, possibly from the Foreign Ministry, will be appointed Ambassador to Manchukuo soon in place of the present Ambassador-Commander of Kwantung Garrison. But superior to these and in command of the South Manchuria Railway and the Railway Zone, the Kwantung Territory and the Embassy, will be the Military Commander, the centralized power.

World Radio Hook-up to Broadcast Enthronement Ceremonies

The Manchuria Telegraph and Telephone Co. has completed arrangements with the Manchukuo Government to broadcast to Europe, America and Japan the enthronement ceremonies, which are to take place at the Chief Executive's Palace and at Shuntien square in Changchun on March 1. The broadcasting will be made from the scene of the ceremonies, through microphones installed there, which will be connected by direct wires to the broadcasting station. The company originally planned to broadcast the event throughout Manchuria and Japan only, but, owing to numerous requests from American and German radio stations, it has decided to relay the broadcasting to those countries. The ceremonies are being broadcast in the English, Japanese and "Manchu" languages.

Soviet Consul Demands Cessation of Anti-Soviet Policy at Harbin

M. Slavutsky, Consul-General of the U.S.S.R., called on Shih Liu-ben, diplomatic agent of Manchukuo Jan. 30, and made the statement that the demonstration of White Guard political organization, which had been organized by the authorities, was directed not only against the Soviet representatives on the Chinese Eastern Railway, and the Soviet community, but also against the Soviet Republic. Emphatically protesting against the activities of the Manchurian authorities, Slavutsky declared that he holds Manchukuo responsible for any possible consequences. He dealt with the full freedom of action enjoyed by White Guard elements within Manchukuo, and gave Shih Liu-ben a number of examples.

British Government Defines Attitude Regarding Manchukuo

Sir John Simon, British Foreign Secretary, stated in the House of Commons Jan. 31 that no question of British recognition of the existing regime in Manchuria was involved by the elations of British consuls with the local authorities.

Japan-Manchukuo Flour Mill Company to Be Formed

A joint Japanese and Manchukuo enterprise, the Japan-Manchukuo Flour Milling Co., is to be established, with capital amounting to two million yen. The new firm is to buy over four flour mills, now in the hands of the Central Bank of Manchukuo, the mills having been closed down several years ago, owing to the depression of business and the excessive taxes that had been imposed by the former regime in Manchuria. Two of the four mills are situated in Harbin, one at Suihua and the other at Hailar.

Standard Oil Co. Makes Claim Against Manchukuo

The Standard Oil Co. of New York recently presented to the Kirin Provincial Government a claim amounting to Yen 5,000 for the company's oil installation at Yentung, which was burnt down by the bandits under Sun Kuo-ying in the autumn of 1931. Officials in the Manchukuo Ministry of Foreign Affairs state that the question of whether the Government will be held responsible for losses incurred by foreign residents in Manchukuo from the activities of the lawless elements in its territory was not to be settled off-hand but they intimated that, if the facts set forth in the claim were found to be true, the government will deal with it in a "considerate manner."

New Text Books to be Used in Manchukuo Schools

With the forthcoming adoption of a monarchy in Manchuria the Education Department in Changchun is about to launch a "replenishment program" of educational organs throughout the newly created state of Manchukuo. The Education Office is compiling new text books for secondary schools with a view to (as *Rengo* puts it) "imbuing the spirit of the founding of the new state with the second generation." The text books will be used when the new term opens in Spring.

The Manchukuo Department of Education is selecting a second group of school instructors to be sent to Japan for study.

Third Batch of "Japanese Cossacks" to be Sent to Bandit Districts

The Department of Overseas Affairs of the Japanese Government has decided to send a third group of Japanese armed emigrants to Tunghuahsien and Emu-hsien in Kirin province. A total of 710 families are expected to settle. Of these, 100 families will settle in Liangshuichuantzu, 50 in Erhtaohotzu, 100 in Santaohotzu, 200 in Kwangnihotzu, 200 in Huangyaho, and 60 in Lafa. The first batch of colonists to be sent there this year will comprise 230 families. They are expected to arrive in time for spring cultivation.

Recent reports from Harbin stated that the Japanese continue efforts to clean up bandits in various parts of Manchuria. A Japanese expeditionary force engaged in routing bandits between Jaoho and Mishan, encountered and routed 3,000 bandits in the vicinity of Hulin. Two hundred bandits were killed; 1200 others crossed over the Soviet frontier near Iman, their movements being followed by Soviet planes. In addition Japanese troops routed 700 bandits from the heavily fortified town of Jaoho.

S.M.R. Reorganization Plan Discussed in Diet

In the Upper House of the Diet Feb. 2 Jusha Tsumura brought up the S. M. R. Company reorganization project. Mr. Tsumura pointed out the danger of the military circles interfering too much in purely economic problems. General Hayashi, War Minister, replied that the reorganization plan as submitted by the Kwantung Army, being drafted on the spot after taking fully into consideration the actual circumstances, was a valuable contribution to any plan for the reform of the existing organization of the Company. General Hayashi, referring to the economic relationship between Japan and Manchukuo, declared that the Kwantung Army, notwithstanding the rumors to the contrary, had no intention whetever of exercising control and putting pressure on the economic activities of Japanese business men in Manchukuo.

White-Russians Stage Parade at Harbin So as to Embarrass C.E.R. Officials

Thousands of White Russians, carrying the Imperial Russian flag, the Tsar's standard and banners bearing inscriptions against Soviet officials of the Chinese Eastern Railway staged a parade at Harbin Jan. 27. The leaders of the crowd made heated speeches in which they denounced the Soviet officials of the railway, and urged a reduction in the freight charges; they demanded that the Manchukuo dollar should be substituted for the gold rouble unit. The parade bore every evidence of having been incited by the "Manchukuo" officials as part of the campaign against Soviet participation in the management of the railway. The Harbin Police, however, carefully protected the Soviet Consulate, which was surrounded by barbed wire entanglements.

Migration of 300,000 Flood Refugees from Honan Contemplated

BY HUANG CHING-SAU (黃慶蓀)

DURING the next few months, upwards of 300,000 flood refugees in the various districts northeast of Honan Province will be migrated to the neighboring sections of the province, so that they may be given chances to secure some means of a livelihood at the places where the Yellow River peril has not done its havoc. A group of philanthrophic organizations in Peiping are at present working in cooperation with the Honan Provincial Government in the matter of raising funds and arranging transportation facilities for the migration of these flood refugees to the chosen regions.

For several months during 1933, no less than 20 districts in the northern part of Honan have been completely inundated as a result of the overflow of the Yellow River, which runs through the province from west to east. Among the flooded districts, three have suffered the most from the disaster. Lanfeng (蘭封) a district about 50 li east of Kaifeng, capital city of Honan, suffered immensely from the recent flood, owing to its locality at the turning point of the river, where the water tide became inevitably strong during the overflow. Kaocheng (考城), located at the border of Honan and Hopei, was visited by the flood, because it was near Tungyasheng (瓦廂), where the river embankment gave way to the heavy current at the time of the flood. Huahsien (滑縣), situated at the upper Honan-Hopei border, also became completely inundated, because the place there is extremely low.

In point of the extensiveness of the disaster, Huahsien has sustained the heaviest damage from the flood. Covering an area of about 800 square li and situated in an extreme low latitude, Huahsien has been completely under water for several months during the past year. It is estimated that there are about 600 or more small villages in the entire area, with a total population of over 700,000. No less than 20 of these villages are said to have been washed out, while the majority of the villages are reported to have been partially destroyed by the visit of water. The official estimate of the flood victims is placed at 300,000, or about half the population of the entire district,

Since the advent of the cold season, efforts have been made by the provincial authorities of Honan to remove the refugees from the inundated areas to the surrounding villages for places of shelter. But in view of the huge number of victims in the entire locality, which fact made the removal en bloc difficult, a large part of the villagers are said to be still living on water. Meanwhile, efforts to dry up the water have proved useless, because the land there is low, which instead of letting water flow out draws water from outside regions. While those who have put up shelter at the dried places have been provided with food and clothing by the various charitable societies, the rest who have not yet left their inundated quarters are still undergoing much hardship in the wintry months.

Relief for Refugees

According to messages recently received from Honan, the provincial authorities there have undertaken certain phases of work to relieve the flood refugees in Lanfeng and Kaocheng. As the greater portion of these two regions has already been cleared of water, relief measures are being centered on the distribution of food to and the provision of shelter for the destitutes. The provincial authorities are at the same time undertaking other rehabilitation measures, such as the issuance of loans and the lending of agricultural implements to the prospective farmers, so that they can till the soil and raise crops as a preliminary step toward an economic revival in the villages. Upon request of the Honan Provincial Government the China International Famine Relief Association is understood to have consented to appropriate a certain sum of money, which will be used for rehabilitation purposes in the water-affected areas of the two above-mentioned districts.

It appeared that the authorities have encountered great difficulty in giving immediate relief to the flood refugees in the district of Huahsien; they have also failed to carry out any rehabilitation projects for the time being, because the territory is still under several feet of water. As a result of repeated discussions, the authorities have decided to migrate the flood victims numbering about 300,000 to the various towns and villages along the Peiping-Hankow Railway, where the land is on a higher level and where the means of a livelihood may be easier for them to procure. Accordingly, about 30 districts along the Pinghan line, from Changteh (彰德), up in the north to Yenching (郾城) in southern Honan, including such big and prosperous cities as Anyang (安陽), Tangyin (湯陰), Hsinhsiang (新鄉), Yuanwu (原武), Hsuchang (許昌), Hsincheng (新鄭) and Linyun (臨潁) have been selected by the authorities as the chosen localities where the flood victims will be removed for temporary quarter.

Charitable Bodies Asked to Help

In an effort to secure support from the Chinese circles in Peiping, the Honanese Residents Association in Peiping has recently approached the various philanthrophic and charitable bodies for financial assistance toward the migration scheme. A reception was given by the association to press representatives of Peiping on January 15, whence Pei Chu-shan, its chairman, delivered a report concerning the plans of the Honan government to migrate the refugees. According to Mr. Pei, the flood victims will be migrated in separate batches, the first batch being a total of 50,000 persons, who will be removed shortly. The number of refugees who will be sent will be determined by the size of the village, which has already been differentiated into the big, medium and small. The big villages may send out from 1,000 to 2,000 refugees to outside territories; the medium from 800 to 1,500 and the small villages from 500 to 1,000.

With regard to the approximate expenses for the migration, it has been estimated that about $2 will be needed for the removal of one refugee. It is learned that the Honan provincial government has appropriated $20,000, which will be sufficient for the removal of 10,000 persons for the time being. The decision has also been made that as soon as the refugees are transferred to the designated regions, 10 families of the latter places will be responsible for the taking care of one family of the destitutes. By so doing, the authorities hope that the burden of the philanthrophic bodies may be somewhat lightened. During the time of removal, each adult, man or woman, will either be given 10 cents or the amount of rice of same value to live on per day. Children will be given each five cents or food of same value. Transportation facilities will of course be provided by the authorities. Meanwhile, the Ministry of Railways has been approached by the Honan provincial authorities for the use of the railway facilities along the Pinghan line for the transference of the refugees free of charge.

Up to the present, several of the charitable organizations in Peiping, notably the China International Famine Relief Association, the Red Swastika Society, the Red Cross Society and the North China Federated Charitable Association have come to the aid of such a relief project, either by appropriating a certain amount of cash grants or by signifying their willingness to be responsible for the transportation of a certain quota of flood refugees to their designated regions.

Tientsin, January 18, 1934.

Paris Mobs Demonstrate Against New French Cabinet---Daladier Resigns

M. Daladier, heralded as the "strong man" of France, headed a new French Cabinet Jan. 29 to succeed the Chautemps Ministry, which fell as the result of the Staviski bond scandal. The collapse of the Chautemps government was attended with disturbing demonstrations. More than 68 police were injured in rioting which took place on the crowded Avenue de l'Opera by 2,000 demonstrators denouncing the Chautemps government. Three hundred arrests were made. Daily disturbances are taking place in the streets of Paris, and at times the police are overwhelmed by mobs demonstrating against the Daladier cabinet, which resigned Feb. 7. Troops are being held in readiness for emergencies. About ten people have been killed and more than a hundred injured in the demonstrations.

Chinese Police May Take Over Shanhaikwan on February 10

February 10 has been fixed as the date for the retrocession of Shanhaikwan to the Chinese police according to an agreement concluded between Chinese and Japanese representatives at Shanhaikwan recently. The terms include the retention of Japanese organs in Shanhaikwan and the re-enlistment of some of the officials now working in "Manchukuo" offices in that city.

What Is the Real Situation in Sinkiang?

BY HARRY PAXTON HOWARD

CONFLICTING reports from Sinkiang leave the ordinary reader quite at a loss to understand the situation in that far province, the last of the outer dominions of China to remain under Chinese rule. Most reports indicate Britain as the organizer of subversive movements, some refer to Japan. The Mohammedan general Ma Chung-ying alternately appears as a loyal servant of the Nanking Government, and as a "rebel." A *Tass* report from Moscow hands on information from Tashkent concerning the establishment of a new government at Kashgar and its declaration of independence. Nanking, having no direct information, inquires of its diplomatic representatives at Moscow and London as to the state of affairs in that part of China.

With a territory of the enormous area of Sinkiang, with its oil and mineral wealth, and the rivalry between Britain and the Soviet within it, it is well to understand the situation in this great dominion, and events as they have developed there both historically and recently. Sinkiang or Chinese Turkestan was the oldest of the far dominions of the Chinese Empire, having been conquered and brought into the Empire by the Hans two thousand years ago. And as it was the first, so is it the last. Korea, the Liaotung peninsula, the Loochoo Islands, Formosa, Indo-China, and so around to Burma and Nepal, were lost before the Chinese Revolution, and were followed by Tibet (breaking off with British support), Outer Mongolia (with Russian support), and most recently the Manchurian provinces, though these latter are in a different category owing to their being overwhelmingly Chinese in population. But Sinkiang remained under Chinese sovereignty until the Moslem revolt which began in 1932, and Chinese authority still maintains itself in northern and northwestern Sinkiang in spite of the Moslem rebellion and the declaration of a new regime in Kashgar.

Ancient Trading Route

Commercial relations between China and Turkestan go back probably four thousand years, to before the dawn of authentic history. The jade of China of the second millenium B.C. is traceable to Turkestan, and a thousand years later, in the uncertain records of the early Chou Dynasty, there are references to Chinese expeditions into this great northwestern territory. Later, as trade developed with Rome, the main trading route ran through this area, which under the Hans was conquered and made a part of the Empire,—at a time when Tibet and what is now Mongolia were far outside China's sphere of control, and the Japanese islands were unheard of.

The country in those days was a much more fertile and populous territory than at present. For thousands of years it has been subject to a fairly rapid process of dessication, and Sven Hedin and other explorers have uncovered, under the desert sands, cities and towns which as recently as two thousand years ago contained tens of thousands of inhabitants. What were a few thousand years ago great lakes, hundreds of miles long, are now mere depressions in the desert. Rivers still make their way painfully through the desert, sometimes flowing through arid banks which refuse to respond to the moisture, sometimes diverted into irrigated patches, sometimes disappearing altogether in the sand. Year after year the desert is gaining.

Khotan Once Buddhist Kingdom

Khotan, the Moslem potentate of which is the reputed power behind the new Kashgar regime, was referred to by Fa Hsien, the Chinese pilgrim who travelled to India by this route 1,500 years ago. (China's first real acquaintance with Buddhism, incidentally, probably came via Turkestan.) At that time the pilgrims had most serious difficulties in crossing streams where are now the wide wastes of the Taklamakan and Keriya deserts. Khotan itself was "a pleasant and prosperous kingdom, with a numerous and flourishing population." The pilgrims were greatly impressed by the big monasteries with tens of thousands of monks, and by the profusion of wealth.

With the end of Roman civilization and the coming of the Christian Dark Ages, the old overland trading route declined, which of course reacted on the population along it. Mohammedanism also came in. Chinese control continued in time of strong emperors and dynasties, ceased at other times. In the seventh century the Tibetans conquered most of eastern Turkestan, at other times the territory was left to its native tribes or Mongol or other conquerors. The Manchus conquered what is now known as Sinkiang more than two centuries ago.

Russia in Central Asia

Russia, in her steady conquest of Central Asia during the past century, reached the western and northwestern borders of Chinese Turkestan. Britain expanded her empire in India until, establishing control of Kashmir, she reached the southwestern border. Commercial relations with Russia were of greater importance than those with Britain, however, and in 1851 a Convention was reached regulating the trade between China and Russia through Kuldja and Tarbagatai and across Chinese Turkestan.

In 1864 came the big Moslem revolt, extending not only over Chinese Turkestan but taking in Kansu province and even reaching into Shensi and Hupeh. Yakub Beg in 1872, heading his great Central Asian kingdom, entered into treaty relations with Russia. The Moslem kingdom, however, was crushed after a few years by the forces of the Manchu Empire under General Tso, remembered as the military leader whose army moved ahead steadily, building roads and sowing and reaping harvests year after year, and reconquered the country step by step, aided by modern siege guns and working on a consistent policy of extermination. It was not until 1878 that peace was restored.

Sino-Russian Dispute

In the meantime (in 1871), Russia had occupied Kuldja, in the Ili district on the western border of Chinese Turkestan, to protect the overland trade route and protect it from Takub Beg, at the same time notifying the Manchu Government that this was only to maintain order, and that the territory would be restored when the latter re-established its authority. When the Manchu Power returned, however, Russia showed no great hurry to return the territory, and Peking's amiable and incompetent diplomatic representative actually agreed, in the negotiations in 1879, to cede the western Kuldja area to Russia, to allow Russian merchants free trade in Turkestan and the sending of caravans as far as Hankow on the same conditions, and to pay Russia five million roubles for her administrative expenses during the years of occupation.

This almost led to a war with Russia, Peking naturally refusing to ratify the agreement, but Russia agreed to renew negotiations, and in 1881 signed a new treaty restoring Kuldja to China, but increasing the payment to nine million roubles. Russia could maintain consular representatives at certain cities. A free trade zone was established on each side of the border (and abolished soon after the Chinese Revolution), and Russia was granted trading privileges in certain centers. It was about this time that Chinese Turkestan was reorganized as a province of the Empire, with the name of Sinkiang or New Dominion.

Great Territory

This great territory covers about 500,000 square miles, with a population not exceeding some 2,000,000 persons. Most of these are Moslem Turkomans, but there are a number of Chinese and Mongols (mostly in the north and northeast), and other peoples. Eastern Turki is the most widespread language, but Chinese has been the language of officialdom, commerce, and such culture as exists, and is more important in the north, where the provincial capital (Urumchi or Tihwa) has been located, and across which the old caravan route lay.

Northern Sinkiang itself is divided by the Tien Shan mountains, to the north of which is Zungaria, bordering on Outer Mongolia to the north (the western part of the Mongol territory, Tarbagatai, is not connected with the Urga regime, but has remained under Chinese authority), and Russian (now Soviet) Turkestan to the west. Here in the north there are forests, and grasslands favorable for pasturage.

Here also, and to the south of the Tien Shan range, there is some agriculture. In this northern and northwestern area of Sinkiang there is a considerable output of cotton, and a fair amount of horticulture. Further south there is the great Taklamakan desert, forming a natural boundary between north and south Sinkiang. West of it, however, there is some fertile land, and the oil areas extend from Kuche or Kuchar, northwest of the Taklamakan, through Aksu and Kashgaria to the southwest. In the southwest and south there is not only oil, but other mineral wealth, particularly gold and (as of old) jade, as well as copper and some other minerals. This is the area bordering on Kashmir, and of most immediate economic interest to Britain.

Anglo-British Division of "Spheres"

Czarist Russia, therefore, while claiming an exclusive sphere of influence in "western China" in general, specifically excepted Kashgaria in southwestern Sinkiang, where British interests were recognized and Britain (as well as Russia) possessed a consulate-general. For some years prior to the Russian Revolution the two Powers co-operated harmoniously enough, but after 1917, with the overthrow of the Czarist regime, the harmony disappeared.

In the meantime, the real power in Sinkiang had been held by Chinese military commanders, to whom the Moslem chiefs were held responsible. This firm control was not affected even by the Chinese Revolution, except for some conflicts between revolutionary and Imperialist Chinese, and sporadic troubles in Ili in the northwest. The proximity of the province to Russian Turkestan, however, and in lesser degree to India, gave it an economic orientation making it more dependent upon trade with these outside countries than with China Proper, especially after the building of the Trans-Siberian Railway further diminished the importance of the old caravan route. Russian roubles became of wide use in the north and west, and the Indian rupee in the southwest, supplementing the Sinkiang tael.

Telegraph lines were established, connecting Urumchi (Tihwa) with Lanchow in Kansu, with Chuguchak on the Russian border, with Russia through Ili, and with Kashgar. Wireless stations were erected at Urumchi and Kashgar.

Sinkiang-Soviet Agreement

For a short period after the Russian Revolution, "White" armies used Sinkiang as a base for raids into Soviet territory, but when order and authority was established in Soviet Turkestan it was not long before a friendly agreement was reached with the Soviet Government at Tashkent. Far from Peking and its intrigues, there was little difficulty about this, friendly commercial relations with Russian Turkestan being of vital importance to Sinkiang. The Sinkiang-Soviet agreement not only provided for the exchange of diplomatic (consular) and commercial representatives, (Sinkiang sending its own consuls), and the regulation of trade, but also covered such things as the abolition of extraterritoriality. The Chinese authorities put down the "White Russian" raiders with a firm hand, and interned them, though later they employed some of them as mercenaries. The Czarist consuls were replaced by Soviet representatives.

An editorial article in the *Review* last week referred to the subsequent developments, with British ties with southwestern Sinkiang, and Soviet ties with northern and northwestern Sinkiang, simultaneously strengthening, the latter particularly aided by the completion of the Turksib Railway in May 1930. The Chinese provincial government at Urumchi or Tihwa, in northern Sinkiang, naturally maintained the friendly relations with the Soviet Government so necessary to the commercial well-being of the province, and these relations were never interrupted—excepting temporarily—by changes in politics and policy in China Proper. But the Turksib Railway which made friendly relations with the Soviet of increased importance to Sinkiang, also made such relations more necessary to the Soviet than they had been previously, as the railway was only safe with Sinkiang in friendly hands. It furnished a vulnerable spot from which anti-Soviet elements, if these could gain a foothold in Sinkiang, could threaten Soviet communications between the Trans-Siberian line and Central Asia. There is, therefore, nothing improbable in the reports that certain "interested imperialist countries" are backing the Moslems in their endeavors to set up a new regime which will overthrow the Urumchi Chinese Government, with its policy of rapprochement with the Soviet, and establish an anti-Soviet regime in Sinkiang threatening the Turksib Railway.

Revolt Strongest in South

In the revolt which broke out a year and a half ago, the rebel strength was mainly in the south, though evidently associated with Moslem elements in the north and east as well. The Sinkiang provincial government, though maintaining friendly relations with the Soviet Union, was so little inclined towards Soviet influence in its internal affairs that it included several thousand White Russian soldiers in its military forces. It was the treachery of these soldiers, at whose real behest is not wholly clear, that struck the most serious blow to the Tihwa governorship last year. In any case, Ching Su-jen, Governor of Sinkiang, was dislodged, came to Nanking, and was subsequently arrested owing to the pact he as Governor had concluded (or renewed) with the Soviet Government in 1931. He is, it is announced, shortly to be tried at Nanking.

Nanking's reactions to the revolt, indeed, were striking, Chu Ming-yi, Shih Ching-yang, and others declaring that the uprising was due to the "oppressive attitude" of the Chinese authorities there towards the Mohammedans. The Moslem general Ma Chung-ying was recognized as commander of the newly organized 36th Division, with an understanding between him and General Sheng Shih-tsai, Defence Commissioner for the Sinkiang border, and Liu Wen-lung, new Chairman of the Sinkiang Provincial Government. Ma pledged his support to the new regime in August, and was given the post of garrison commander for Eastern Sinkiang. In the meantime, some 10,000 troops from Manchuria, formerly under Ma Chan-shan, Su Ping-wen, and Wang Teh-li, who had been interned in Siberia, were repatriated into Sinkiang.

Communications and Control

Nanking was earnestly endeavoring to establish direct communication with, and an element of control over, this territory, which, according to the statement of Jefferson D. H. Lamb (Lin Tung-hsi), Councillor of the Nanking Foreign Ministry, who visited the province with Dr. Lo Wen-kan in September for investigation, has been quite "out of touch with the Central Government," and where a responsible head of the Sinkiang Government asked who T. V. Soong was, while "the Prince of Hami had never heard of the Minister of Foreign Affairs and concurrently Minister of Justice, Dr. Lo Wen-kan, until September 2, 1933, when they both met at Hami."

Chinese authority in Sinkiang had been maintained from 1911 to 1928, regardless of changes in China Proper, by General Yang Tseng-hsin, who ruled with an iron hand, and was finally assassinated by Fan Yu-nan, Sinkiang's then Commissioner of Foreign Affairs. Yang's place was taken by General Ching Su-jen as Chairman and Tupan of Sinkiang; he is said to have caused Fan's execution. Nanking's endeavor to extend control over the province last year was preceded by a mission from Shanghai during 1932. In 1933 an attempt was made to establish air communication through Sinkiang to the Soviet border, with the Eurasia (Sino-German) concern's planes, but only a few trips were made, the Chinese authorities in northwestern Sinkiang evidently not welcoming this closer link with Nanking. When Dr. Lo visited Sinkiang in September he paid special attention to Moslem groups, and was received not overwarmly at Tihwa, whence, however, he finally succeeded in getting out to Soviet territory and returning via the Trans-Siberian Railway.

Ma Renews War

It was not long before the civil war was renewed in northern Sinkiang between Ma Chung-ying and his Mohammedans, on the one hand, and Sheng Shih-tsai's forces on the other. General Sheng's army included the Manchurian soldiers repatriated from Siberia.

When fighting reached a critical point in November, Chang Pei-yuan, Garrison Commander at Ili on the Russian border and commanding former Manchurian forces there, refused to support Sheng against Ma, who early in December was reported in occupation of Tihwa, supported by Chang. The White Russian forces in the Provincial army were also reported to have deserted General Sheng, and even to have demanded his retirement.

Reports exultantly announced the eclipse of Sheng, but it soon became clear that defections and treachery had not finished him, and that he still held the provincial capital, whence he declared the "bandit chief" Ma Chung-ying had been completely routed. He was further reported to have the support of the Uigur tribes, numerous in Sinkiang.

Ma's Defeat and Kashgarian Independence

Fighting continued to the end of December between Sheng's forces and Ma's Tungans to the south and west of Tihwa, between Turfan and Ili, where Chang's anti-Sheng forces held out. Sheng reportedly used air bombers against the Mohammedan forces, inflicting heavy damages. The Kansu authorities sent the 9th Sinkiang Division to cooperate with Ma, who was already on the defensive, as was also Chang Pei-yuan at Ili.

Ma was defeated, and reportedly agreed to withdraw his forces to Hami in east Sinkiang, resuming his earlier title of Garrison Commander of Eastern Sinkiang, though he was reported in December to have proclaimed the separation of the province from China, and to have aimed to establish an independent Mohammedan state. Chang Pei-yuan was reported

assassinated by his own followers, who mutinied and surrendered to the provincial government.

It was only after Ma's failure and the collapse of Chang's rebellion that the rebel elements in southern Sinkiang, whence Chinese authority had long since been driven, decided to actually declare independence, the central power of the movement in this area reportedly being the Emir of Khotan. Following this declaration it was reported that Ma Chung-ying, in the north, had suddenly broken the armistice and attacked Tihwa, but been beaten off. A White Russian, arrested in Tihwa, was said to be a go-between for Ma and the Kashgar group.

Nanking and Sinkiang-Soviet Relations

It is to be noted that in view of the necessarily close relations between Sinkiang and Soviet Turkestan, Chinese consular officials have been appointed and maintained by the Sinkiang provincial government in Tashkent, Semipalatinsk, Alma-Ata, Andijan, and Dsaisangsk. It was reported in December that a change was being made in this system, and that these consular offices would be taken out of Sinkiang's hands and put directly under the Foreign Ministry at Nanking. Down to the present, however, this change does not appear to have been made.

Shortly before this intended change was announced, Wang Ching-wei issued an order to the Sinkiang Government to stop the entry into the province of Chinese who had come under Soviet influence.

It is curious to note that the Nanking Government had no direct information on the subject of the new Kashgar regime, and reportedly inquired of its diplomatic representatives in Moscow and London. Chu Ming-yi, Secretary-General of the Executive Yuan, whose comments last year have been quoted above, denied the reported revolt. But King Pi-chen, the representative of Sinkiang, shortly confirmed it.

Foreign Influences

There are many reports of foreign influences in the Sinkiang struggle, but few that have been authenticated. Ma is said to have had Japanese support, and to have obtained some arms from the Japanese. The Japanese are also said to have been working among the Moslems in general, and to even have a mosque in Tokyo. One report in December had it that a former Turkish prince, Abdul Kelim, had left Tokyo and gone to Khotan in southern Sinkiang, whence the power behind the "independence" movement came shortly afterwards.

Chiang Kai-shek's organ, of couroe, accuses Sheng of having Soviet support. Chinese reports, however, tend to stress the British support of the other side,—the "independence" movement. A "special" report from Nanking to the *China Press* quotes a Chinese Government leader, just arrived from Sinkiang, charging British instigation, specifically referring to one Sa Pi-to, leader of the rebellion, as having been "supplied by the British with 10,000 rifles, and more than 200 British soldiers assisted the Mohammedan rebels in driving out the civil officials in Southern Sinkiang." Soviet reports, which have been the most informative owing to the proximity of Soviet Turkestan to Sinkiang, make no such extreme charges, though they mention British agents as having arrived from India. Turkish reports, rather distant but of interest because of Turkish knowledge of the Moslem world, speak of the Kashgar delegation to Afghanistan endeavoring to purchase arms from Germany, to be delivered through Afghanistan with British co-operation, and "regard the formation of the Kashgar Government as a result of Anglo-German activity." One Turkish paper claims that Britain has spent 500,000 rupees on her plans in Sinkiang.

Internal Strife in South

From comparative silence on the subject, recent weeks have gone on to rather a plethora of quite confusing reports. The central fact stands out with some clarity that an independent regime has been declared at Kashgar, and has apparently sent a mission to the neighboring Moslem state of Afghanistan (which in recent years has followed a policy of rapprochement with Britain) for recognition. Reports also agree that the new regime is not having easy sledding, both British and Russian dispatches telling of severe fighting between different tribes. *Tass* dispatches from Tashkent declared the Kashgar regime to be supported by the Emir of Khotan, and later that Tungans supporting it had been attacked by Uiguts (reportedly loyal to General Sheng's government), who had demanded the deportation of the British agents at Kashgar. A British report via New Delhi, however, refers to "Turkis, aided by Khotans," as attacking Kashgar, and a Chinese report via Peiping also refers to opposition from the Khotan (Hotien) Mohammedans to the Kashgar regime, the Khotan tribesmen having reportedly appealed to Governor Sheng Shih-tsai to send troops to assist them in the attack they have launched against Kashgar.

Out of this confusion emerges the fact that the new regime is having difficulties, as there are probably enough rival tribes in Sinkiang to carry on civil wars indefinitely. If all the Moslems were brought together under one banner it would simplify matters somewhat, but this is difficult, and would still leave the Chinese forces—as well as the Mongols—to be dealt with in the North. In any case, Sinkiang today is a battleground between opposing forces associated with opposing national interests. In the south there is a native government which has declared its independence of China, and which there is little reason to doubt has British support. In the north there is a Chinese government, with support of some native elements, which apparently follows a policy of rapprochement with the Soviet Union. But this Chinese government, recognizing Chinese sovereignty, is separated from China "Proper" by Moslem peoples with whom Nanking has recently shown much more in common, and who are also reported to have been subject to Japanese influence. The influence of Japan, of Britain, and of Nanking undoubtedly find a common ground in opposition to the Soviet rapprochement. On the other hand, the latter policy is that of the established Chinese Government of Sinkiang, and evidently in accordance with the main economic interests of the province.

It is evidently Sinkiang's strategic value against the Soviet Union, with its vulnerable Turksib Railway near the Sinkiang western border, which is of main interest to the Japanese, and probably to the British as well,—though the oil and other resources of southwestern Sinkiang are very much worth the continued attention of the empire most interested in this area.

Next Shanghai Municipal Chairman May Be Japanese

The following editorial from the Chinese newspaper, "Chen Pao" (usually known in English as "Morning Post") may be taken as representing Chinese opinion on the possibility that the chairman of the Shanghai Municipal Council to be elected this spring may be a Japanese.

The term of office of the present Councillors of the Municipal Council of the International Settlement is expiring shortly and the re-election is expected to take place sometime next month. It is reported in this connection that A. D. Bell, the British Councillor, is returning to England shortly and will not stand for re-election. According to the local Japanese press, T. Funatsu, the Japanese member, is likely to be elected Chairman of the Council in succession to Mr. Bell. If this report is true then it will be bound to produce far-reaching effects on the future position of the Municipal Council and the future development of Shanghai in general.

Although the Settlement is called International the real powers in that territory rest in the hands of the Americans and British, particularly the latter. Of the fourteen Council seats the British occupy five while the United States and Japan each occupy two seats. The Chinese population, which pays the major part of local taxes, are also represented by five Councillors. This treatment can not be regarded as equal. We did not protest earlier because we didn't want to have further troubles in Shanghai after the War, which has already considerably impoverished the local population.

The Municipal Government calls itself a miniature democratic government and is supposed to stand for equality and justice. If the Municipal Council recognizes that the watchword 'No taxation without representation' is correct, then the Chinese people are fully entitled to demand the reorganization of the Council and organize it in such a way as to suit the environment better.

"In 1930 when the Japanese community in Shanghai only consisted of 18,478 persons, they enjoyed representation in the Councll by two members. These two members did more for their fellow countrymen in their present capacity than they had done for the Council itself. In the Shanghai War the Japanese troops used the the International Settlement to cover their operations, heavily damaging local trade. According to latest investigations made, no less than 50 per cent of the shops along the Nanking Road are deeply in debt and it is expected that about 500 shops will close their doors before the Chinese New Year. This is the direct result of the Shanghai War and the main sufferers are the Chinese. While the Japanese are to blamed for starting a war in this city the Municipal Council has also to be held responsible for taking sides with Japan by permitting them to use the International Settlement as a base of their activities. If the Council had maintained an impartial attitude and not permitted the Japanese to use the Settlement as their base of military operations the war could have been avoided and the present business depression could have been avoided.

While we blame the Municipal Council for siding with Japan we must also hold the Japanese Councillors responsible for abuse of their power in making the Council grant facilities to the Japanese forces. That was a lesson to the Chinese. Japan only had two Councillors in the Council and yet they could do such important things against the interest of the Chinese community in Shanghai. If the Japanese could gain full control of the Council the situation would be worse. It would most probably affect the general tranquility as well as retard the future progress of this city. For the benefit of the three million people in Shanghai we must ask the public to give this question their serious consideration.

Japan Believes Outbreak of U. S.-Japanese War is Inevitable

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

IF leading papers in Japan could be turned into English it would surprise Americans. They would be amazed to find in them all what they want to know of the function of their home Government and that nearly one third of the second page is quite often filled with affairs of their own country. What these papers write of the United States is confined to political, diplomatic and economic affairs. Since the beginning of this year prominence has been given to the revaluation issue and a surprisingly large space has daily been occupied by this subject. This is by no means an exaggeration in view of the effect of the attempt on the economic circles of the country, but what makes the general public feel most nervous and ominously unsafe are affairs political in nature, such as the following, published in newspapers.

Tokyo Nichi Nichi, Jan. 14: "Vice-Admiral Nobumasa Suetsugu's article on the preparation for war between Japan and the United States appearing in the *Gendai*, a magazine published in Japan, was reported on a big scale through the Hearst papers on January 12, acutely stimulating the nerves of Americans. On the following day the *Herald Tribune* and several other papers gave prominence to the incident. Their attack is directed among others toward the Admiral's surmise in regard to Captain Lindbergh's object of making a hop to Japan. This article by Admiral Suetsugu added fuel to the sensation created by the novel entitled "War between Japan and the United States" published in book form as a supplement to the January number of the *Hinode*. Our Navy authorities assumes an attitude of ignoring the incident in order not to lose their dignity."

Hinode, February number: "The War between Japan and the United States" by Lieut.-Commander Kyosuke Fukunaga published as a supplement to the January issue of the *Hinode* gives in the form of a novel the possible war between Japan and the United States, about which the nation is greatly concerned. According to a *Rengo* despatch on December 13 from Honolulu, *Hawaii*, the American Government authorities were taken aback and obliged to confiscate all arrivals. This incident was broadcast from the Tokyo Central Broadcasting Station and reported by newspaper such as the *Osaka Mainichi*, *Jiji Shimpo* and the *Yomiuri* and the *Yomiuri*." By way of reference undermentioned is the text in the December 17 issue of the *Yomiuri:* Washington, Dec. 16: The 'War between Japan and the United States' published as a supplement to the January number of the *Hinode* copies of which had been confiscated at Honolulu, were called to the attention of the Government authorities here, and the Finance Office has forthwith instituted a research. A few copies of the book in question are now being forwarded to Washington for decision. The authorities at Honolulu are awaiting the instruction from Washington as to how the books which have been seized are be disposed of. It is expected that they will be burnt in case the Finance head considers their distribution departs from the customs regulation of the United States."

What can be regarded as another valid cause for uneasiness to the Japanese is the successful formation flight of six U. S. naval planes in a hop from San Francisco to Hawaii. Practically all leading newspapers in Japan gave special prominence to the news in their evening issue of January 12, some even sparing the upper one-third of the front page for the record-breaking feat. The scribe looked in vain for comments on the affair by responsible Japanese, but is confident that the impression the people received from the new record set by Lieut.-Commander K. McGinnis may be represented by the sentiment in which the following comment is written by a *Tokyo Nichi Nichi* man: ".....We congratulate America on the great accomplishment of her fliers. Science and civilization are ever making the world smaller by conquering space and time. Simultaneously, we cannot lose sight of the fact that mechanical progress, especially in aeronautics, is ever endangering our sense of security. For years we have felt uncomfortable and isolated out here in the Far East, but at the same time there was the advantage of geographical security, such as was enjoyed by none of the Powers on the other side of the globe. Yet if it is possible to bring the air squadron of America from its home base to Hawaii in 25 hours, we must also consider the possibility of our islands being invaded from America via the air in three or four days....."

In addition to these examples of extreme cases, news suggestive of America's resourcefulness for any wartime preparations are almost daily appearing in Japanese papers in large cities, such as for instance the naval and airplane construction program and activities in the aviation circles of China, while important articles in American publications are translated, the one by Gen. Mitchell on the preparation for war between the two countries published in the February number of the *Hinode* to be cited as the latest example. Of course it is not only by publications that the nation's sensation is fanned up against the United States, but by other equally direct measures such as, for instance, the lecture on the "Overseas Development of the Nation" broadcast by Parliamentary Vice-Minister of the Overseas Office, Yasujiro Tsutsumi on the evening of January 17, in which he roughly adverted to the strategic value of Hawaii and stressed the need of a wholesale immigration by the Japanese into the islands, emphasizing that the immigrants are expected to do nothing but bear children; while what is taken as a similarly sensational statement by responsible Americans are frequently introduced through leading Japanese newspapers, such as the statement regarding the foreign policy of the President, declaring among other things that the Roosevlt Administration would uphold the principle of non-recognition of a government created by war (leading Tokyo and Osaka papers) and alleged telegraphic invitation to Soviet Russia by President Roosevelt regarding his plan to hold fleet maneuvers on the Pacific in cooperation with her within two months (*Tokyo Nichi Nichi.*)

Thus it appears that the relations between the two Powers on either side of the Pacific are being strained by the force of pen and words far more than through any other more concrete channels.

Diplomatic Relations Between America and Japan

(By Yosuke Matsuoka,—King, Jan.)

I want to express without reserve my idea about the existing relations between Japan and the United States. Generally speaking, the diplomatic policy of the United States has followed the path of peace maintenance; it is not her intention to brew war. Naturally, I always uphold the principle of befriending the United States. Only we have to be enlightened upon the fact that "being desirous of maintaining peace" and "peace is actually maintained" are two different questions, because however ardent may be the desire for maintaining peace, it is not seldom, according to history, that it is betrayed in consequence of changes in conditions within and without the country.

A lamentable situation is that between Japan and the United States where there is a fairly big gap with reference to the question of naval strength. This must by all means be overcome.

Taking advantage of this opportunity I think I have to talk frankly to the United States. By nature the Japanese are not such as helplessly yield to power after having their hands and feet bound up tight. In this respect the Japanese are quite a different race from the Whites and the Chinese. They carefully weigh the strength of the enemy before taking up arms—if the enemy's power is considered superior to theirs they generally give up their offensive design; but this is not the case with the Japanese, for often they dare take up arms against the enemy whose power is estimated as far surpassing theirs. Yet, the Japanese do not act for sinister purposes; it is only when they are convinced of their being right that they stand up bravely—stand up even against an enemy thousand times more powerful than themselves. They fight with the firm determination of sacrificing for their beloved country. It is this characteristic of the Japanese that the United States must thoroughly understand. The actual situation, however, indicates that the course followed by the United States leads in quite a different direction from what we expect; I wonder if she is not trying to make the Japanese get angry and let them do what they like. If the United States is really desirous to bring peace over the Pacific Ocean, she ought to reconsider this point.

If there is a diplomatic gap between the two countries, it must be bridged. While showing an attitude of withdrawing her influence from the Orient by parting with the Philippines, the United States, although the Government, not directly interested is opening up airways and working on the enterprise of wireless telegraphy in China, greatly stimulating the sense of suspicion of the Japanese. This is especially the case in recent years, which we regret very much.

Japan Stands Like a Rock Against Dashing Waves of the Pacific

(Tokyo Asahi, Jan. 1)

Vice-Admiral Nohumasa Suetsugu, Commander of the Combined Fleet of the Japanese Navy, saw the scribe on the flagship *Rengo*. Answering to his question as to the aggregate tonnage of the combined fleet under his command the Admiral stated with a cynical smile, "I have never calculated the total. I do not attach weight to the question of aggregate tonnage."

As I had heard quite a lot about the importance of the ratio and inclined to believe the theory, the remarks of the Admiral who was brought up amidst roaring sea and howling tempest sounded refreshing in my ears.

"It does not necessarily hold true that without possessing the same thing no success is guaranteed; the methods vary according to geographical features and conditions of the country. So, you need have no misgivings." The Admiral spoke with a clear-cut tone as if admonishing me.

He is an accomplished commander of the sea, but he too has his own worry, and that is about the supply of oil—he has to buy the fuel from America and Dutch Indies for his vessels.

"I want to make a long cruise, but I regret it requires much fuel. The lowered rate of exchange necessitates generous defray of expense. The practice in a limited area is worthless." That his activities are put under the yoke of limited expenditure is worthy of all our sympathy. Then I almost involuntarily opened my mouth asking, "Is the oil supply sufficient for four or five years?" "Of course," he replied with a grin.

Above our heads triumphantly flew the ensign of the commander. Admiral Suetsugu continued with a marine glass in hand:

"As I get old I have come to find interest in reading old books and I love to read Chinese classics. Among them I find Suntze (孫子) most valuable, though I felt differently while young.

In his mental bosom there must live the spirit of the teachings of Suntze, and in the same spirit he must have made mental preparation for 1935-6.

"To attack is to defend and to defend is to attack; there is no attack or defense in its pure sense and there is no demarcation drawn between attack and defense. This is the secret of success in a battle." While speaking thus the Admiral must have converted the vast expanse of the Pacific Ocean into a battle-field.

"Despite the piercing eye-sight of the Admiral with which he surveyed the endless swell of the ocean, soft mild human warmth was felt as he spoke:

"The Combined Fleet has 25,000 men and hundreds of millions of fortune. The responsibility of the commander who bears so great a number of lives and national assets upon his shoulders is enormous. It is no easy task to train them. But there are a number of able officers in command, and it is my duty to see that their mind is turned to one common object. In the naval battle the commander and men are exposed to equal risk, and on board they use no personal defense measure as in the case of a warfare on land, for such would be worthless. And this is why we can exert our effort to the utmost. People may think our duty is painful, but I enjoy the life on the sea, especially its pure air. A Crown Prince has been born; a sound basis of the country has been firmly laid out." So saying he smiled a smile suggestive of composure and self-confidence.

Discussion By Admiral Suetsugu, Commander of the Combined Fleet

(By Vice-Admiral Nobumasa Suetsugu,—Gendai, Jan.)

Will America Fight with Japan?—When the Manchurian trouble culminated in the Shanghai incident, it was feared that a war between America and Japan might be precipitated: Stimson's anti-Japanese campaign among university presidents, business magnates, women's associations, religious bodies and other organizations took effect as is evidenced by the joint proposal by the university heads for carrying our economic blockade against Japan and the public opinion which insisted on "punishing the aggressive nation."

It seems that Admiral Pratt, being apprehensive of the blocade resulting in actual war and in which event there being no prospect of chances in his favor and realizing the need of making more preparations, smoothed down Stimson. But as Stimson flatly refused to listen to the Admiral's advice, it was the President's turn to quiet him down. Danger was so imminent. Before the opening of the Washington Conference an outbreak of war was also feared. At that time the Japanese assumed a nonchalant attitude about the matter, but it is nevertheless a fact that the war preparation by the United States was then thorough-going. This time her preparedness far exceeds it, because the entire American fleet was assembled off San Francisco. As regards the Japanese navy it has a combined fleet of course, but only half of it consists of a standing squadron, the other half being made up of vessels in the reserve. Despite having so predominant strength, the United States refrained from taking up arms. Why is it?

This is all due to the superior strength of the Japanese navy. It is true that the Japanese army is strong—perhaps the strongest of all Powers on the globe—yet, its service is limited. Though there may be those who believe the army is strong enough to guard the coastal lines of the Empire, yet in the event of its navy being defeated and the islands blocked up with submarines and mines, all Japan's overseas transportation would be stopped outright. However successful the troops' activities in Manchuria may be, what could they do if the communication at the Strait of Chosen is cut off? Consequently, we may declare that it is not only the united support by the nation but also the power of our navy that makes it possible for our army to do their utmost in Manchuria in order to ensure the self-protection of Japan and to establish eternal peace in the Orient amidst the piercing cold and under burning sun. I have no scruples in stating this fact in public. Failing to see this simple fact, none can understand the present national defense of our country.

State defense on the sea is complete.—The state defense of today cannot depend merely on military strength. As the war of today necessitates mobilizing the entire nation, the strength of the nation itself and the national thought that backs up the enterprise are important requirements for a warring nation. In this respect I agree with Gen. Araki who insists on the necessity of unifying national thoughts in order to carry into effect the mission of the country. This, however, is easier said than done.

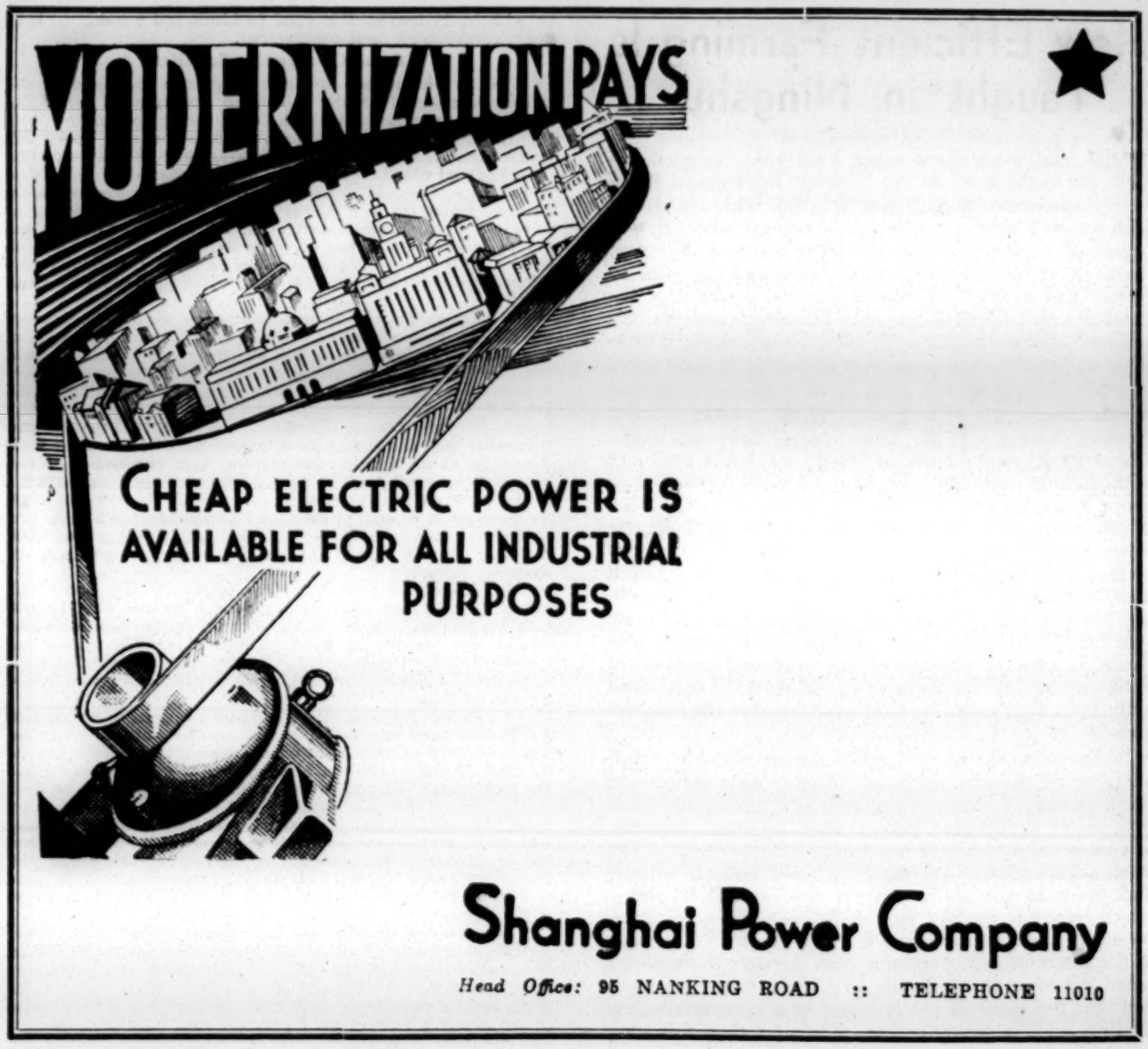
If only the nation is enlightened upon the fact that the country is now facing a crisis which is beyond the power of her diplomatic technique to dispose of, and is determined to unite in conquering the crisis, there will automatically be an open way before the nation. Quit talking of the menace of air-raids or of comparative strength between Japanese and American navies, and make up your mind to fight out to the last single person, then there is no need for any fear. Think of the geographical feature of the country which is quite favorable for state defense, its marked development in aviation and the possession of submarines superior to any on the globe. Armed with these advantages the Island Empire is in a position to protect its own land far better than any other Power even if she is less prepared than they are. The nation therefore need not be uneasy. It is this belief that the nation must possess.

With reference to the limitation of armament by treaties, no concession can we make; the right to enjoy the same defense power must be upheld. It is unreasonable to force 60% upon one nation while others possess 100. Of course every country has its own peculiar geographical and other conditions and naturally what it needs must conform with these conditions, but it ought to enjoy rights equal to others. We should make no concession at the disarmament conference, but this does not mean that Japan feels unsafe with her present possessions. Generally speaking, the people need not be uneasy about the state of their defenses on the sea.

Economic blockade is no menace: In case of war our overseas trade will receive a blow, but Japan would never be crushed like Germany, for she has an ample supply of rice and marine products at home. With these as staple food and pickles and dried prunes as side dishes the people can get along very well.

Similarly, in the case of the supply of cotton and wool, we have already sufficient supply of them both; only we have to be satisfied with old ones. Discontinuance of cotton supply gives us no inconvenience in manufacturing gunpowder, for we have an ample stock for the material at home. All these facts are sufficient to set us at ease.

What she believes right Japan must insist on at any cost. By so doing the future of the country will shine bright. If the nation is so weak-kneed as to give in under the weight of injustice forced upon her, its existence in the world would be meaningless and we would never grudge the downfall of such a cowardly nation.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There is one thing I may add, and that is the air activities of the United States in China in order probably to provide against Japan. She is opening up air routes along the coast of China Proper while sending quite a big number of airplanes into the country. Turning our eyes to the north we remember that several unsuccessful trans-Pacific flights were made by Americans from Alaska Peninsula. They must have purposely failed to camouflage their reconnoitre. It is a pity that the Japanese, especially those living in the remote country-side, hailed the machines with mad enthusiasm as if their own children had been piloting them. A certain Lieutenant also attempted an unsuccessful flight over the same district only to turn back halfway. Mr. and Mrs. Lindberg's flight then followed. For about a week they lingered on the Kurile Islands; they took off several times but due to bad weather had to turn back . . . . . Since then the Aleutian Islands have been surveyed in a wholesale fashion by the hands of surveying, telegraph and aviation corps. What do all these things mean?

Provincial Government Laws to Be Revised

In accordance with the resolution reached at the recent 4th Plenary Session of the C. E. C. calling for the reform of the Provincial Government system, the Legislative Yuan is proceeding with a revision of the Provincial Government Law in order to give effect to the proposed modifications.

The proposal for a modification of the provincial government machinery was first adopted at the 3rd Plenary Session held in December, 1932, when it was decided to replace the existing Provincial Government Committees with Provincial Governors (*Sheng Chang*) so as to increase administrative efficiency. Details of the proposed change were left to the Executive Yuan for examination and report. In its report submitted at the 4th Plenary Session, the Executive Yuan, while favoring the retention of the Provincial Departments of Civil Affairs, Finance, Education and Reconstruction, recommended the creation of a Department of Political Affairs to assist the Governor in the discharge of his executive duties.

According to the proposal as finally adopted at the 4th Plenary Session last week, a Vice-Governor will be appointed to assist the Governor. The Departments of Education and Reconstruction will be retained, but the Departments of Finance and Civil Affairs will be abolished and in place thereof a new Department of Political Affairs will be created, under which there will be three sections, for General Affairs, Civil Affairs and Finance. The Vice-Governor will serve concurrently as head of this Political Affairs Department.

Paul M. Linebarger Gives Views on Far Eastern Situation

A Nanking message last week hinted that the National Government had warned Paul Myron Linebarger from talking too much. Dispatches appearing in Japanese papers to hand this week quote Mr. Linebarger, (frequently styled "Judge," and decribed as advisor to the Nanking Government) as saying at Los Angeles, Jan. 28 that America was "asleep to the aggression of Japan." Mr. Linebarger is enroute to China. He had first come from Washington, where, he said he had conferred with President Roosevelt. "In another decade," Mr. Linebarger declared, "Japan will dominate China as far as the Yangtsze unless America abandons its extraterritorial rights and its unequal treaties with China and rallies to China's side. Japan already dominates Manchuria and can command 3,000,000 Chinese to bear arms. It is reaching out to control the northern half of Saghalien and is rapidly wresting Kamchatka from Russia."

How Efficient Farming Is Taught in Ningshu*

BY D. Y. LIN (揚道凌)

THE rural work about which I am going to speak today is the work of the Ningshu Agricultural Relief Association (寧屬農業救濟協會). This association with which I have the privilege of being connected, was organized in Nanking soon after the phenomenal Yangtsze flood of 1931. The object of the association was to restore and to promote the agricultural interests of the flood-affected districts around Nanking, and to coordinate and cooperate with such philanthropic institutions within the districts as were interested in rural work.

Ningshu (寧屬) is a name given to an area composed of six hsien (縣)—Kiangneng (江寧) which includes Nanking, Kiangpu (江浦), Luho (六合), Chuyung (句容), Lishui (溧水), and Kaoshuan (高淳). It has a total area of 12 million mow (畝) of land and a rural population of about 1,700,000 people. Excepting Kaoshuan and Lishui which are drained by the Ching Hwai river (秦淮河), the other four hsien have as their boundary the Yangtsze river. The Ching Hwai river not only drains Lishui and Kaoshuan, but also runs through Kiangneng, touching Nanking on the south, and has its main tributary starting from Chishan lake (赤山湖) in Chuyung. No doubt it was on account of the immense network of drainage systems that some of the worst flood conditions along the Yangtsze during 1931 were found in the Ningshu area.

According to survey made during the big flood, 51% of all the rice fields in Ningshu were submerged for a period of four months and 34% of the total rural population or 590,350 people were rendered homeless and classified as sufferers requiring immediate help. The total estimated damage done to land, houses, animals and grain in the six hsien, was put at $51,421,000—which, when divided by the number of suffering families, meant an average of about $480 to a family. A damage to the extent of $480 per family was certainly tremendous, when we come to think that all Chinese farms are small and that the value of the property of a rural family, excluding land, is generally very much less than this sum.

During the fall months of 1931 when relief work was in full swing and when the Nanking District Office of the National Flood Relief Commission was busily engaged in administering emergency and labor relief to the flood sufferers, with which you all are familiar, the Ningshu Agricultural Relief Association co-operated, and, with the funds subscribed at that time, took up the work of agricultural relief, concentrating its efforts mainly in the Ching Hwai region. The work consisted principally of colonizing unused land, advancing short-term loans at a low rate of interest to the needy farmers, and of providing them with seed grain or money for the purchase of seed grain.

To-day I am not going to enumerate all the agrjcultural rehabilitation projects that the Association has started for the Ningsha farmers during the last two years. I shall, however, with the few minutes at my disposal try to describe to you just two distinct types of farm relief which the Association has successfully carried out and which it feels are fundamental to the rehabilitation of damaged farms, and to the promotion of the agricultural and economic welfare of the rural population in the Ningshu region. The two types of farm relief are,

a. the organizing of co-operative societies for extension work and for the improvement of agricultural products among the farmers;

b. the establishing of tsang ku (倉庫) or granaries for the farmers who wish to contract short-term loans with the Association or with banks interested in rural problems and wanting to have direct contact with rural communities.

Rural Co-operative Societies

It is my pleasure and privilege to report to you that up to the end of December, 1933, the Association has organized over 3,280 families for co-operative work for the following projects:

1. Project for wheat improvement.—For this work, 248 families were enlisted in the fall of 1931, and 6,883 catties of that variety of seed wheat, called No. 26, were distributed for the cultivation of an area of 1,147 mow of land. The result was very satisfactory. In the fall of 1932 the number of families organized to participate in this improvement work, was increased to 1,426, and 43,060 catties of this variety of wheat were distributed for a total area of 7,201 mow. The Association estimated that the farmers using this variety had increased their wheat production by about 15%.

2. Project for rice improvement.—For the carrying out of this project, the Association has been encouraging the cultivation of two strains of rice know as the Pah Shih Tze (八十籽) and the Mou Tze-Tou (帽子頭). In the spring of 1932, 170 families were organized and in addition to encouraging the cultivation of the Pah Shih Tze variety, 1,697 catties of the Mou Tze Tou variety were bought from the Central University Agricultural College and distributed to these families for the cultivation of 339 mow of rice land. According to the farmers' own report, these two strains of rice proved to be much more immune to the attack of borers (螟蟲), so the result was very satisfactory. In the coming spring of 1934, the Association expects to continue experimenting with these two strains, and plans have already been made to distribute at least 8,000 catties of the Pah Shih Tze strain for cultivation among the co-operating farmers.

3. Project for promoting fish industry.—This project was started in 1931 soon after the big flood. To date over 145,000 Chia Yu (fish common in the Ching Hwai region) have been distributed for propagation among 475 families. The project has enabled the farmers to make use of the thousands of ponds and lakes along the Ching Hwai river and in this way to secure more income for the families.

4. Project for duck raising.—Three co-operative societies of 250 families have just been organized for this work, and they are now taking care of some 15,000 ducks selected and partially bought for them by the Association. On account of the numerous ponds and canals in the Ching Hwai region, this industry ought to prosper.

5. Project for hog improvement.—Two pedigreed foreign boars (Poland-China and Hampshire) were introduced for crossing with native sows, and already 1,266 crossbreeds have been produced and distributed to 962 families. By carrying out this project the Association hopes to shorten the period of maturity and at the same time to improve the pork quality and the general health condition of the native hogs.

So much for the work of the co-operative societies. These societies in my opinion are most important and vital to the life of our rural communities, and they certainly ought to be made a permanent feature of our Ningshu work. Think of the hundreds of things that the Association could do for soil and crop improvement, animal breeding, forestry and for general rural betterment through such societies. The solution of China's agricultural problem lies in having such co-operative societies properly organized, properly directed and greatly increased in number.

Loong Yeh Tsang Ku (農業倉庫) or Rural Granaries

We now come to the Loong Yeh Tsang Ku or Rural Granaries, another type of farm relief which the Association has carried out in the interest of needy farmers.

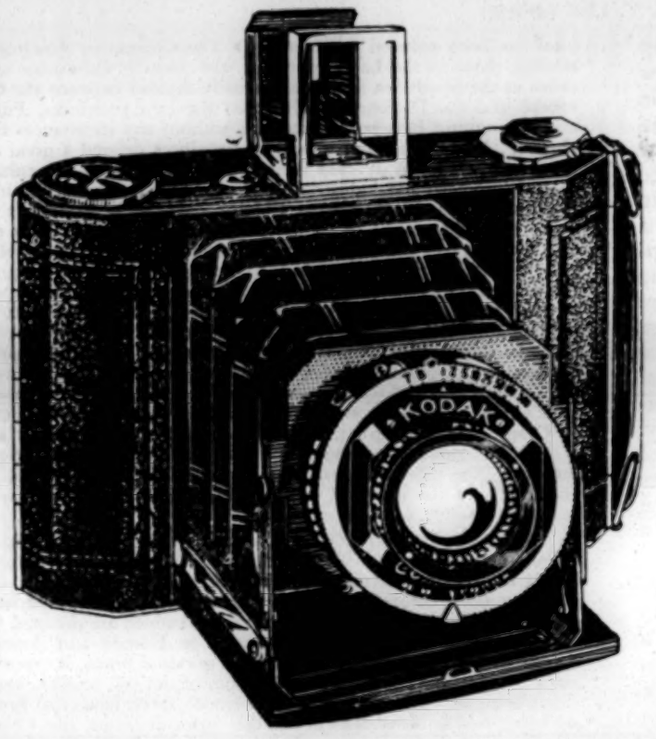
In the course of carrying out loan collections in the fall of 1932, it was found that the Ningshu farmers were facing great difficulties due to the extremely low prices the dealers were giving for rice harvested at that time. The farmers, at the same time, had to have money for the purchase of seed for planting their winter wheat, so the disadvantage of their position was obvious.

To help these hard-pressed farmers the Association made arrangements with Shanghai Bank and the various interested philanthropic organizations for funds, and with these funds short-term loans were made. In order to make these loans secure, the farmers were required to deposit their rice in tsang ku or granaries established by the Association, and at the same time to observe certain granary rules which I should like to explain if I had the time. But the points that I would like to call your attention to are:

First, only the small farmers whose cultivated area was less than 30 mow could apply for such loans and that each family could loan no more than $30. In other words the Association planned to help only the bonafide needy farmers who actually cultivated land. Since the primary object of this loan method of relief was that of helping the poor farmers to buy seeds, fertilizer, and implements for their winter or spring crop, a loan of $20 to $30 per family was no doubt a very substantial aid.

Secondly opportunities were given to honest, thrifty and industrious farmers to become shareholders or owners of permanent co-operative granaries to be established as soon as sufficient capital was subscribed. In other words, the Association by carrying out this scheme hopes to put the farmers through a period of training in co-operative granary and borrowing, and to prepare them for

* Speech by D. Y. Lin at one of the recent meetings of the Nanking Rotary Club. Mr. Lin is Director of Forestry and also chairman of the Ningshu Agricultural Relief Association. During the Yangtsze flood of 1931 Mr. Lin was Superintendent of Relief for the Central Government for the Ningshu Area.



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he time when permanent granaries are established they could manage hese granaries themselves and use them for direct borrowing from nterested banks. I might add that already 1,496 farmers in the Ching Hwai area have signed up to become share-holders of such permanent granaries and have actually paid one-fourth of their share of the capital as prescribed by the Central Agricultural Granary Law.

In the fall of 1932, 114 granaries were established in altogether 89 villages, and loans amounting to $44,530 were made to 3,025 rural families.

Last fall when it was found that the price of rice was even worse than that of 1932, the Association again made arrangements with Shanghai Banks and interested philanthropic agencies, and established 301 granaries, and these were scattered in more than 260 villages in the three hsien (Kiangneng, Chuyung and Lishui) along the Ching Hwai river. Altogether a sum of $114,987 was loaned out from these granaries, and against this sum of money the farmers deposited 67,531 piculs of rice. I might mention that as many as 4,761 families made use of these granaries.

Since these granaries were scattered over such a vast area with communication so primitive, it was impossible for the Association with only a few secretaries to look after and to mangae them all. To overcome this difficulty, the Association put the reponsibility of supervision and management on so-called 'Granary Custodian Committees' composed of local men elected from among the depositors. The duty of such committees was that of protecting and managing the granaries under the direction of the Association on the one hand, and of acting as trustees for all the farmers using the granaries on the other.

At the expiration of loan-term the 'Granary Custodian Committee' collected all the loans plus interest and handed the same to the Asosciation, and at the same time returned the mortgaged rice to the owners.

As I have said, the Ningshu Agricultural Relief Association last fall established 301 granaries which served as many as 4,761 rural families or on an average of six to a family, 28,560 people. During these few months the Association has been busy organizing these 4,761 families for further co-operative work, and needless to add such a large number of families certainly constitute a wonderful laboratory for experimenting and for further extending the various useful agricultural projects that have already been started for them by the Association.

Nanking, January 24, 1934.

How China Has Benefitted from League Cooperation

The report of Joseph Avenol, Secretary-General of the League of Nations, showing the progress of technical co-operation of the League with China, was published in Geneva Jan. 25. In regard to health, communications, transport, economic and financial affairs, and intellectual and administrative questions, it shows that remarkable work has been achieved through close collaboration between League specialists and the Chinese authorities, particularly in connection with the three year plan of recorganization of the Chinese health service providing for the construction of a hospital at Nanking and the institution of travelling medical fellowships. The report particularly notes the success of anti-cholera vaccination at Shanghai where the disease has been practically eradicated. Vaccinations in 1932 numbered over a million. In the matter of road building and hydraulic works, the report says that vast schemes have been carried out, especially construction of a system of main roads covering 1,905 kilometers in Anhwei, Kiangsu and Chekiang, linking them up with Shanghai. With over 2,000 kilometers of existing roads the program provides for an eventual network of 23,000 kilometers of roadway, construction of which is divided into five periods. The report also refers to aid given to the silk growing industry through the exhibition of education films, to administrative reforms and to reorganization of the telephone and telegraph services.

Wang Ching-wei Entertains Dr. Hu Shih at Dinner

A dinner was given Feb. 1 by President Wang Ching-wei at Nanking in honor of Dr. Hu Shih (Dean of the College of the Peking National University), Jen Hung-chun (Director of the China Foundation for the Promotion of Education and Culture), and Dr. Ting Wei-kiang (V. K. Ting) (Director of the National Geological Survey), and Wu Ta-chuan, well-known Tientsin banker. These gentlemen came to the Captial to attend the annual meeting of the China Foundation. Among the other guests at the dinner were Wang Shih-chieh, Minister of Education, and Tang Yu-jen, Vice-Minister of Foreign Affairs.

How the Business Depression Affects China

BY B. Y. LEE (李炳郁)

BUSINESS depression, which has been prevalent throughout the whole world since the past few years, is now fully realized in China, particularly in Shanghai, which is a large modern industrial community and is easily influenced by outside currents. In the strictest sense of the word, China has never suffered from any business depression as it is known in modern industrial society. Generally speaking, China is still in the handicraft stage of her economic development, as large scale production has not yet really begun except in a few principal seaport cities where international communications are available. Large modern factories are few in number in China, and hence over-production, which is a principal cause of industrial depression, is practically unknown, or at least is comparatively a new phenomenon in Chinese economic society. It is obvious, then, that many factors which have contributed to the present depression in China are uncommon in other lands, "Business is rotten," men in the street tell you. But how to fight against such a new economic phenomenon is a herculean task.

Although business statistics are both unavailable and unreliable, many conservative merchants inform us that the year 1933 was the worst one in history for a great number of lines of business undertakings. It is estimated that many well and old established wholesale firms in the International Settlement and Nantao in Shanghai did about 50% of the usual business transactions for the last year as compared with the average for previous Construction work in Shanghai, however, was normal, mainly due to the political and communistic distrubance in many provinces. Many lines of trades are hard hit by depression, notably the silk, cotton, flour, hotels, restaurants, textiles, industry etc. Starving men are said to dream of food, and it is natural that business men, under a cloud of business depression, should think and speak out most about signs of brighter business prospects. Co-operation among various lines of merchants is lacking and the National Government is helpless in as regards adopting effective measures with a view to improving the present business condition. A national industrial recovery act has not yet been proposed, and business runs in accordance with its natural course without any artificial injection.

Let us mention a few of the causes that have contributed to the present business depression in China. The world-wide economic depression is one of the chief factors. Without going through detailed statistics, we know that during the past few years China's exports have declined despite the fact that the depreciation in the value of silver should be in China's favor. Many industries, notably, tea, silk, mineral products, which constitute China's principal exports, are at a standstill or even on the verge of bankruptcy. These industries in normal times employ a great number of workers, who are now out of employment, and consequently their purchasing power has been greatly decreased. Unemployment increases severity of depression. Decreased purchasing abroad leads to decreased purchasing in China; depression breeds further depression, which is like a contagious disease. China, although not a large manufacturing country, is affected either directly or indirectly by the world-wide economic depression.

Depression Affects Overseas Chinese Income

Depression abroad affects directly the income of the overseas Chinese, particularly those in America, the South Sea islands, etc., where the number of overseas Chinese is the largest. In normal times the annual remittance of the overseas Chinese to their families and relatives in China has been on an average about $300,000,000, but during the past years of the world-wide business depression, this total has been reduced considerably. The Chinese in America including those in the Latin countries are mostly Cantonese while those in the South Sea islands are equally divided between the Cantonese and the Fukienese. Therefore the two provinces, Fukien and Kwangtung, have been practically without any remittances from abroad. In normal times these two provinces depend a great deal on foreign money to develop their natural resources and to enhance their commercial and industrial undertakings. Instead of remitting funds to China these overseas Chinese have lately sold their real estate and other forms of property formerly invested in their own country and had the proceeds remitted abroad in order to relieve their financial distress there. In the past years most of the financial institutions in Hongkong, particularly the foreign ones, were swelled with funds from overseas Chinese, and no interest was paid on current deposits. The real estate value was raised several times as compared with that of normal times. Now real estate in Canton is without any prospective buyers, and the bank deposits have greatly reduced. Thousands of jobless Chinese are streaming back to their native homes from abroad of late. Between the cities of Canton and Hongkong, depression hits the latter harder as it is the more important of the two in respect to export and import business. The value of real estate in Hongkong has dropped to about 50% in the past few years, and rentals have been greatly reduced—to 25% in many cases.

The dumping of many foreign-made articles into the Chinese market has affected to a considerable extent China's domestic industries. The National Government has passed many anti-dumping laws, enforced anti-dumping control, and imposed heavy dumping duties on many articles from abroad which are dumped into the Chinese market. Due to depression in Europe and America, Russia, in order to get rid of her surplus goods at home, is exporting many articles to China, such as fish, petroleum oil, textiles, etc. at ridiculously low prices. Cotton piece goods, from Japan and Russia, are being sold in many cases at half the price it costs the Chinese manufacturers to make them. It is reported that Russia has dumped more than $500,000 worth of canned fish into China since the early part of 1933. On account of the low price of imported petroleum oil from Russia, peanut oil and bean oil are being sold at a price lower than those ruling for a decade. Despite the vigorous anti-Japanese sentiment since the Japanese occupation of Manchuria, the import of Japanese goods into China has considerably increased lately. Japanese coal is sold in Shanghai at about 30% lower than that Chinese coal of the same quality. Cheapness of many articles kills the spirit of the anti-Japanese boycott agitator. Japanese-made cement has outsold the commodity manufactured in Hongkong and caused a cement factory in that island to suspend operations. The Kwangtung authorities passed a law forbidding contractors from using Japanese cement for the construction of government buildings. in order to encourage the use of the domestic-made product.

One Billion Dollars Worth of National Bonds

The low price of domestic bonds during the past few years accounts for the lack of economic development in the country. Since the establishment of the National Government at Nanking, more than one billion dollars worth of national bonds have been issued as a means of supplying the militarists with funds. Nominally, these bonds are issued at 98, but in reality, most of them are sold at the Chinese Bond Exchange in Shanghai at a ridiculously low price, from 50% to 70% of their face value. The investor can realize from 20% to 30% or more on his money invested in such securities. In 1930 there were about one hundred modern (Chinese) banks in Shanghai, and in the present year, there are about 130, besides a dozen trust companies. The chief reason why so many new financial institutions have been established is due to the fact that the investment of the domestic bonds by these bankers has proved attractive, both as security and in interest yield. In order to induce more depositors, these banks give a hgh rate of interest on current and fixed deposits. Accordingly, the investing public is unwilling to start any new business undertaking unless the expected return is more attractive than the interest to be received from money deposited in banks. Thus money hoarded in the interior provinces flows into the Shanghai banks, which constiuttes one of the principal factors for the present economic chaos in China.

The hostilities in Shanghai as well as in North China of 1932 have contributed heavily to the unemployment problem, as hundreds of modern Chinese factories in Chapei, Shanghai, were destroyed by Japanese gunfire, and more than a hundred thousand workers were at one time without work. Since then the situation has become little better, but still it is far from normalcy. The total loss in wages to the jobless workers during and immediately after the hostilities, was estimated to be more than ten million dollars. This huge loss in wages naturally decreases the purchasing power of the Chinese masses, which in turn makes for business depression. Besides the Sino-Japanese hostilities, droughts and floods, coupled with bandit activities and Communist outrages, hinder the normal movement of merchandise into the interior provinces The fear of unexpected renewal of Sino-Japanese warfare has deterred many merchants

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from setting up new business ventures. During the past few years, the political conditions of the country have not been peaceful, for, in addition to the after-effects of the devastations of the Sino-Japanese conflict, trade and industry has had to pass through many vicissitudes. Furthermore, as a result of bumper crops of agricultural products, especially rice, one of the principal foods, the price has dropped to the lowest since 1917. Whenever the price of this staple food is low, the price of almost everything else is low proportionally.

Fighting the Depression

Following the national recovery program of many countries abroad, the National Government at Nanking has formulated many effective methods to fight against the present depression. Many high sounding phrases are used in its adopted plans for the economic recovery of the country. To all intents and purposes, the Government is determined to uplift the domestic industries, especially the staple ones, such as cotton, silk, flour, etc. The Economic Council was lately inaugurated, and since then there has been lively speculation as to what result will be accomplished. The Conton Control Committee, a subordinate organization of the National Economic Council, was organized three months ago. More than one hundred experts in this line of trade are employed with view to improving the trade. More than a million dollars is required to complete the task in the investigation of the various methods adopted in this trade throughout the country. It was thought at first that this Control Committee could accomplish a wonderful work, but to our surpirse, nothing has materialized. Three months ago the price of the local yarn was $185 per bale, now it has dropped to $170, or more than 10%. Formerly the Government intended to inaugurate a central committee to uplift the flour industry, the silk industry, etc. in case the Cotton Control Committee could accomplish the desired aim. The failure of this Control Committee may mean the failure of the Government recovery program as contemplated with other industries. Should we scrutinze the whole situation from the world's economic point of view, we should not feel disgusted, for China is a part of the whole economic unit. As long as business conditions in America and Europe remain unimproved, China can not be otherwise. Now business activities are picking up abroad gradually, everywhere, and China will surely follow. Now-a-days we know that inflation, injection, artificial manipulation, high sounding phrases, and government resolutions can not improve economic conditions of any country. Only hard work counts.

The methods adopted by the various governments to deal with the depression are materially different, and their accomplishment depends upon the co-operate energy and sincerity of the industrialists, statesmen, capitalists, and business magnates. The commercial and industrial pendulum is beginning to swing towards recovery aside from and beyond the influence of any one government or governmental system. Demand for goods is improving and consequently production is going up and unemployment decreasing. Everywhere the signs of economic recovery are apparent, and at last the world is returning to its normalcy gradually by its natural processes otherwise than by government experiments. The reasons why we are so confident of the future are that we have endured too long and world conditions must be eventually better. The economic established order is accused of complete failure, and the let-go policy should be adopted. People all over the world are tired of depression, and favor the return of normalcy, and this feeling alone will eventually help to improve the business conditions, and China is not an exception.

Shanghai, February 5, 1934.

Number of Chinese Students in Japan on Increase

Repeated telegrams from Tokyo aver that there is a tendency for Japan and China to gradually return to friendly relations and it is therefore predicted that the number of Chinese students in Japan will shortly rapidly increase. According to statistics compiled by the Asiatic Branch or Foreign Section in the Metropolitan Police Board, there are 1,200 Chinese and 300 "Manchu" students already in Tokyo, almost as many students as had been recorded before the Manchurian outbreak at which time was there were 1403 Chinese students in Japan. Tokyo telegrams predict that a large increase by Chinese students will be witnessed by the beginning of April, when the new school term opens.

Impending Closing of Five Shanghai Night Schools

The evening schools operated by the University of Shanghai, Chih Chih University, of Shanghai Law School, the College of Commerce of the National Central University, and Soochow University in Shanghai must be suspended immediately, according to orders issued by the Ministry of Education. It is understood that this decision is due to the inadequate provisions of the evening-school system which prevent students from receiving military training.

Reflections on the Fukien Rebellion

BY PAUL K. WHANG (汪仲芳)

THE speedy collapse of the "People's Revolutionary Government" in Fukien supplies another conclusive and eloquent evidence that any separatist movement without public support has but an ephemereal life. This lesson should be remembered by all the restless politicians and ambitious militarists who are constantly looking for an opportunity to rise up in arms against the central government with a view to attaining their wide dreams. Its remembrance, it is hoped, will eventually eliminate the causes of future internecine warfare, and do much to promote the domestic peace and unity.

The 19th Route Army, when they were first transferred to Fukien right after the Shanghai "war," were at the height of their fame and were enthuiastically welcomed by the Fukien people. Had they kept their promise that they would save the Fukien people from Communistic menace and militaristic oppression, they could easily enhance their prestige and popularity. But instead, no sooner had they settled down, than they harbored a wide dream of creating a sphere of influence for themselves, and resorted to such high-handed measures to alienate the affection of the people as the imposition of new taxes, the replacing of all the officials with their own men and the lukewarm efforts in exterminating the Communistic menace. As a result, the public sentiment toward them has undergone a great change from warm acclamation to cool reception, and even prior to the present outbreak, a secret movement had been underway among the Fukien people to oust that army from Fukien province.

Why the "People's Revolutionary Government" Failed

It is true that the Nanking government has possessed a bigger army and a fatter purse than the Fukien insurgents. But the mere possession of strong military and financial strength would not enable the Nanking forces to administer such a deadly and speedy blow on the latter if they were not backed up by the people in Fukien and elsewhere. The hostile attitude of the people coupled with the defection of the former Fukien forces had very much to do in weakening the morale of the 19th Route Army and spelling the doom to the "People's Revolutionary Government."

In staging the present rebellion, the Fukien insurgents had evidently counted upon the support of the people. They calculated that under the banner of the 19th Route Army they could sway the public opinion to their favor and win the public support. But to their dismay, they found that the people who had been eloquent in praising their brave deeds were also vociferous in condemning their infamous acts.

Our history provides us many examples in which the public support played a prominent part in causing the rise and fall of a many governments. The success of the First Revolution in 1911 was principally due to the support of the people. When the first shot was fired in Wuchang, the revolutionists had but a few thousand soldiers and limited financial resource. But with the support of the people, the revolutionary cause spread out into other provinces like wildfire, and within a short span of a few months, the movement gathered such momentum that Henry Pu Yi had to say goodbye to his throne.

Then again in 1926 when the nationalist forces started their northern expedition, their total soldiers numbered no more than 50,000 and their sinews of war, to quote the words of Dr. H. H. Kung, Minister of Finance, could be packed up in a small box. In spite of their military weakness and financial difficulties, they managed to dispose of such formidable military leaders as Generals Wu Pei-fu and Sun Chuan-fong, and completed their northern expedition in the establishment of the present National Government. Had they not been supported by the people, they would never have been able to march into the Yangtsze Valley.

From these historical instances, we can deduce that no separatist movement can be successful, if it has not won the support of the public. In saying this, I do not mean that we are completely satisfied with the present political regime and are anxious to uphold it by all means. On the contrary, we have been very much disappointed at finding the defects of the present government, the evil and corrupt practices of its officials, and the abuses of the one-party rule. Likewise, we have been fully aware of the fact that the present government is far from being a representative government, and that promises of freedom and equality are merely lip services.

But we are not so naive as to believe that the defects of our political system can be rectified overnight by revolutionary means. As a matter of fact, we have become so tired of hearing of political reforms as advocated by rival political leaders that we can no longer give our credence to their promises. We have learned from experience that any political change will only tend to make the general conditions worse for the people to live in. We have still remembered what a great hope we attached to the Nationalist movement seven years ago. Then we hoped that a "clean and honest" government would be established to replace the old feudalistic regime, and that the people would enjoy political rights and absolute freedom. But what a great disappointment to the people who have subsequently found that the government has been no more clean and honest than before, and that the living conditions have become much worse as a result of the multiplication of new taxes. It is an open secret that many of our people are longing for the return of the good old days.

In one sense, we have become more conservative in our political outlook than ever. We would rather keep the defective political system we have now than venture upon any new one, the quality of which is totally unknown. Moreover, we have realized that the fault with our political system lies not in the system itself but in the personnels. We can not establish a good government, if our political and military leaders always place their personal interests above national welfare. The Fukien insurgents do not appeal to us as being any more honest and clean than some of the Nanking officials. Since there is little to choose between the two, why should we welcome the change of status quo? Thus they can not fool us with political program, no matter how attractive it may sound.

Political Differences Should Be Sunk

Moreover, at this time of national crisis, when our very existence has been menaced by the foreign invasion, it is the devout wish of the people that the rival political and military leaders should sink their personal and political differences and cooperate to conduct the ship of state out of the stormy ocean. To stage any separatist movement now will only bring further chaos to our country and play ourselves into the hands of our enemy.

Right after the Shanghai "war", the people, with a hope of outlawing civil wars, conducted a nation-wide Anti-Civil-War movement. Although they are not yet in a position to prevent the recurrence of civil wars between the rival military leaders, they, however, can put up a passive resistance against any independent movement staged by ambitious military and political leaders. In putting up a passive resistance, the people have indirectly but greatly assisted the government in crushing any insurrection.

Besides the national crisis arising from the foreign invasion, the people have their own personal interests to look after. In face of business depression, the people as a whole have experienced a great difficulty in making their living. Any major domestic conflict would naturally dislocate the domestic finance and commerce, thus bringing further hardship upon the life of the people. Therefore the people hate to see the recurrence of civil wars at the present time, and would be ready to lend their support to the government to suppress any separatist movement.

Because of these reasons, the people have backed up their government in their present campaign against the Fukien insurgents. The government forces with the support of the people have experienced no difficulty in capturing Foochow and overthrowing the independent government. This Fukien tragedy, as I have said before, may serve as a warning to other ambitious military and political leaders that it is futile to promote any separatist movement against the wish of the people.

After surviving another national crisis, the Nanking government would not become any stronger, if it did not immediately find measures to regain the lost confidence of the people. It should redeem its past misdeeds by introducing reform measures and conscientiously applying itself to the tasks of reconstruction and rehabilitation. Among the reforms, the emancipation of political rights must be instantly adopted, so that the best talents of the country can be employed irrespective of their party affiliations. The abuse of one-party rule has long been one of the public complaints, and was also one of the charges put up by the Fukien insurgents. It is true that no government can be perfect and satisfactory to all. But if the issue raised is of such importance that the government should immediately turn its attention to it and act upon it in accordance with the wish of the people. It is only through the acceptance of the people's counsels that the government can become popular and win the support of the people.

Shanghai, Feb. 5, 1934.

U. S. Dollar Is Devalued to 59.06 Cents

President Roosevelt Jan. 31 issued a proclamation devaluing the dollar to 59.06 cents (15-5/21 grains, nine-tenths fine). Simultaneously, the President announced that the United States Treasury would purchase any and all gold offered, domestic or foreign, at a price of U.S.$35 a fine ounce. This proclamation does not in any way affect the weight or fineness of the silver dollar. Operations by the U.S. $2,000,000,000 Stabilization Fund created by the Gold Bill commenced Feb. 1.

A statement issued in Washington, Feb. 4, shows that a profit of $2,086,000,000 "new style" was made as a result of the devaluation of the dollar and the consquent revaluation of the gold stocks in the Federal Reserve Banks. Thus the governments funds showed a sudden surplus of $974,000,000 compared with a deficit of $1,923,000,000 on January 31.

Part of Pay Cuts to Be Restored

Relief for United States Government employees in foreign service, immediate restoration of a part of the Federal pay reductions and restoration of automatic pay advances in Army, Navy, Marine Corps and other service branches have been recommended by Congressional committees. An appropriation of U.S.$7,125,000 to adjust the salaries of Government officers and employees in foreign service who have suffered financially from the decline of the dollar abroad, was contained in the State Department Supply Bill reported by the House Appropriations Committee. An amendment to the Independent Officers Bill providing immediate restoration of five per cent of the 15 per cent Federal pay reduction with another five per cent to be restored on July 1, was approved by a sub-committee of the Senate Appropriations Committee.

The American Federation of Labor's estimate as of Jan. 1 put unmeployment in the U.S.A. at 10,822,000. Of this number approximately 4,000,000 have been aided by occasional partial employment due to the Administration's emergency measures. Twelve per cent of the whole population received public unemployment relief in November.

Admiral J. M. Reeves was appointed Feb. 3 Commander-in-Chief of the United States Fleet in succession to Admiral D. F. Sellers. The latter has been made Superintendent of the Naval Academy at Annapolis.

Chinese War Ministry Plans Air Defense School

The Ministry of War at Nanking is planning to establish an Air Defense School. The cadets are to be chosen from the various military units and forts. A course of three months' instruction will be given.

Diplomas of graduation were presented Feb. 2 to 48 flying cadets representing the first class to be turned out by the Central Aviation Academy at Hangchow. General Chiang Kai-shek, General Chang Hsueh-liang, Colonel Loti of the Italian air mission, and many other Chinese and foreign notables were present.

Huge Increase in U.S. Army Aircraft Foreshadowed

An increase from 1,800 to 4,834 in the United States army aircraft and an increase from 15,000 to 38,063 in the personnel are provided for in a Bill which was introduced in the U. S. House of Representatives Feb. 1. The proposal has the full approval of Secretary of War George H. Dern, but was originally sponsored by the General Staff of the Army which, after a careful study declared the Army's air requirements are far below and will not permit the "necessary allotments of aircraft to our overseas possessions or even permit organization of an effective military air force within the United States."

Soviet Stratosphere Establishes New Record—Participants Lose Lives

The Red Army stratostat balloon *Syrius* established a new world's attitude record Jan. 30 when it attained a height of 20,600 meters in an effort to discover the origin of the cosmic ray. The flight ended in tragedy, however. In descending, the balloon lost its equilibrium as a result of which the gondola tore away from the gas-bag and dashed against the earth. The three participants in the flight were killed as a result of the shock.

Singapore Chinese Reformers Urge Economy in Marriage and Burial Customs

An attack on the high cost of getting married and buried is the object of certain Chinese reformers in Singapore. The reformers are appealing for assistance from public bodies and district guilds in persuading people to avoid wasting their money on the "unnecessary observance of some of their ancient customs." One reform circular asserts that the heavy expense of marriages and funerals in order to preserve the "face" of the families concerned has been responsible for the financial ruin of many families which have not the courage to follow a policy of "cutting their clothes according to their cloth." It asserts that cases are known of the deceased's entire fortune being spent on his elaborate funeral rites.

"They're off Every Morning Wide Awake-Happy"
"JUST see them come running to breakfast. They are two of the liveliest children you ever saw. Yes—they're mine, but I can't help saying they *are* full of life and vigour. They have never been ill, are as fit as can be.
"Now for a breakfast of Quaker Oats—how they love it—then, off to school. Since they were infants I've started them off each day with a good helping of Quaker Oats—as much as they'll eat—and they do *eat it*. To me, it was only hearsay at first, but now I *know* how active it makes their minds and bodies.
"BOTH of them are up in their studies—stand high at school. I'm sure Quaker Oats is the reason. It starts them off right, supplies the energy and vigour they need to be alert and active. Father and I, too, eat it regularly. We are friends of the doctor, but seldom his patients—thanks to Quaker Oats."

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LOOK FOR THE QUAKER FIGURE FOR GENUINE

Quaker Oats

D-7

New Fukien Provincial Government Installed at Foochow

Gen. Chen Yi, newly appointed Chairman of Fukien Provincial Government and the various department commissioners of the new Fukien regime, were respectively inducted into office on Feb. 5, according to a telegram from Foochow on Feb. 6. The installation ceremony was held in the presence of Dr. C. T. Wang, former Minister of Foreign Affairs and now member of the C. E. C. of Kuomintang, who was specially delegated by the Central Government to administer the oaths of office to the new officials. Dr. Wang left Shanghai on Feb. 2 aboard the gunboat *Haiyung* and arrived at Foochow on the following day. Dr. Wang was accompanied by Admiral Chu Tien-sheng, newly appointed Principal of the Government's Naval College at Mamoi, succeeding the late Admiral Tu Hsi-kuei.

Liquidation of the Fukien situation has been practically completed with the abolition of the 19th Route Army and its reorganization as the 7th Route Army attached to the Eastern Route Bandit Suppression Forces in five Southeastern Provinces. Gens. Mao Wei-shou and Chang Yen, who had been appointed Field Commander and Deputy Commander of the reorganised Army, assumed their new offices on Feb. 1. The new Army consists of four Divisions and each Division is composed of four regiments, the brigade as a unit being abolished. It will shortly be transferred from Fukien to Eastern Chekiang for training. Garrison duties in Fukien province will be assumed by units of the Eastern Route Bandit Suppression Forces.

Gen. Tsai Ting-kai, former Commander-in-Chef of the 19th Route Army, is reported to have parted his Army at Lungyen and left for Hongkong by way of Swatow. Other Leaders of the overthrown Fukien 'People's Government" are also converging on Hongkong from different directions, according to a report in the *Shanghai Evening Post* on Feb. 5. Gen. Li Chi-sen, Chairman of the rebel regime, is said to have passed Saigon during the week on way to France as fugitive in political exile and will stop at Hongkong en route. Those who have already arrived at Hongkong included Gens. Chen Ming-shu, Sheng Kwang-han, Ou Shou-nien and Oung Chao-wan who all figured prominently during the Shanghai war against the Japanese in 1932

Telegrams from Foochow on Feb. 4 reported that Government army detachments under Gen. Yang Feng-nien were continuing advance into southern Fukien presumably with a view to the suppression of the remnants of the 19th Route Army new concentrated at Lungyen. In the meantime, a Canton dispatch on the same day stated that Gen. Chen Chi-tang has ordered the Kwangtung units to stop advancing into Fukien and agreed to give the 19th Route Army a monthly allowance of $50,000 after its reorganization.

Admiral Li Shih-cha, former vice-Minister of Navy, assumed his new post on Feb. 3 as Commandant of the Mamoi Forts and concurrently Commander of the 1st Brigade of the marines. Admiral Li is also a member of the Fukien Provincial Government.

Admiral Chen Chi-liang, Commander of the First Naval Squadron, who directed the naval landing forces in capturing Foochow and Amoy during the Fukien rebellion, is seriously ill, according to a telegram received by the naval headquarters here from Foochow on Feb. 5. Dr. Chen Cheng, superintendent of the Naval Hospital, has been sent to Foochow to attend to Admiral Chen. Dr. Chen left Shanghai for Foochow by a China National Aviation Corporation plane on 6.

Gen. Liu Ho-ting, Commander of 56th Division who rendered a great service in the suppression of the Fukien rebel movement, has been appointed concurrently Garrison Commander of Yenping to be responsible for the suppression of Communists in Northern Fukien.

Prince Teh Insists on Nanking's Acceptance of Pailingmiao Agreement

Teh Wang or Prince Teh-Mu-Chu-Ke-Tung-Lu-Pu, Vice-President of the Silingol League, in a telegram to Gen. Huang Shao-hsiung, Minister of Interior and special commissioner to Inner Mongolia, denies that the various Mongolian dukes and princes had agreed, during the Pailingmiao discussions, to the proposal for the creation of Mongolian autonomous *chu* governments under the direction of the Charhar and Suiyuan Provincial Governments. In a separate telegram to the Mongolian delegation at the Capital, he instructs that no principles for the institution of local autonomy in Inner Mongolia, aside from those agreed upon between Minister Huang Shao-hsiung and the Mongolian leaders at Pailingmiao, be accepted. Should the demands be rejected by the Central authorities, the message adds, the delegation should return to Mongolia immediately.

A delegation representing the Silingol League of Mongolia has arrived at Nanking during the week. Interviewed at Peiping on Jan. 28, a spokesman of the delegation said that Prince Teh has instructed the delegation to request the Central Government to reconsider its decision regarding the measures governing local autonomy in Inner Mongolia, as adopted recently by the Central Political Council. The minimum demand of the delegation will be be enforcement of the programme alleged to have been agreed upon between General Huang Shao-hsiung and the Mongolian dukes and princes at Pailingmiao.

Prince Na-Yen-Tu and Prince Kun-Pu-Cha-Pu, newly appointed advisors to the Executive Yuan on Mongolian affairs, arrived at Nanking on Jan. 31 from Peiping. They called on President Lin Sen, President Wang Ching-wei, and General Chiang Kai-shek, to submit a report on the situation in Mongolia. Interviewed, Prince Na-Yen-Tu, after pointing out the gravity of the foreign menace to Mongolia, expressed the hope that the programme of local autonomy as adopted by the Central Policital Council would be enforced as early as possible

The Mongolian delegation at Nanking called again at the Executive Yuan and Central Party Headquarters Jan. 30 when they further explained the Mongolian viewpoint regarding the institution of local autonomy in Inner Mongolia. The delegates were received at the Executive Yuan by Dr. Chu Min-i, Secretary-Genearl, who advised them to remain in the Capital for the present as the question of Mongolian autonomy will be brought up for further discussion at the Central Political Council.

In a petition to the Central Political Council Feb. 3 the Mongolian delegation requested that they be allowed to attend the next meeting of the Council when the question of local autonomy in Inner Mongolia is brought up for further discussion, so that it may have an opportunity to explain the Mongolian attitude towards the question.

Interviewed at Peiping on Feb. 3, Chang-Cha Hu-Tu-Ke-Tu, the "Living Buddha' of Chinghai (Kohonor) said that while the Mongolian leaders should strictly obey the orders of the Central Government, the latter should also adopt as far as possible the Mongolian views via-a-vis the institution of local autonomy in Mongolia.

Gen. Sun Said to Retire, But Fighting Continues in Ninghsia City

The war situation in Ninghsia between Gen. Sun Tien-tien, desposed Reclamation Commissioner for Chinghai and Gen. Ma Hung-kuei, Chairman of Ninghsia Provincial Government, for the control of Ninghsia is obscure, as conflicting reports are in circulation. According to a *Reuter* meassge from Peiping on Feb. 3, Gen. Sun, after having sustained heavy losses, is prepared to retire and to have petitioned the Government to relieve him of his office as Commander of 41st Army. The massage added that the Government had dispatched two squadrons of air bombers to Ninghsia to assist Gen. Ma in fighting against Gen. Sun, and Monglian arrivals at Peiping declared that Gen. Sun's men had virtually been routed.

On the other hand, reports from both Chnese and foreign sources from Peiping state that Gen. Sun is continuing his drive on Ninghsia City which, according to an unconfirmed telegram, had been captured by his men. It is further reported that Gen. Sun has organised a new Ninghsia Provincial Government at Shh-Chu-Shan on the east Bank of the Yellow River and the vanguards of his Army are pressing towards Ninghsia Capital from Pinglo on the other side of the River.

Gen. Chu Shao-liang, Chairman of Kansu and concurrently Pacification Commissioner of Northwest, has received orders from the Central Government to dispatch Gen. Hu Chung-nan's Divisions to Ninghsia front and join force with Gen. Ma's troops in suppressing Sun's uprising. It is feared that unless a peaceful settlement is reached or Gen. Sun is forced to retire, fighting may extend to other parts in the Northwest.

Gen. Ho Ying-ching, chairman of the Branch Military Council in Peiping, addressed a further telegram to General Sun on Feb. 2, ordering him to cease his advance, which, he says, has caused severe losses to the populace of Ninghsia City. The telegram urges General Sun to reduce his present force, which comprises 40 regiments, mostly made up of former bandits, to the six regiments allowed by the Peiping Branch Military Council. On the same day, Gen. Sun telegraphed to Peiping, professing loyalty to Nanking and asking for funds to pay his troops, failing which he would be compelled to raise money by his own devices. It is understood that the Branch Military Council at Peiping has refused to advane a cent until he suspends hostilities.

Meanwhile, Peiping authorities are reported to be sounding Marshal Yen Hsi-shan, Pacification Commissioner in Shansi, on the prospects of co-operating in a punitive expedition, in the event of Gen. Sun refusing to suspend hostilities.

Hostilities in Ninghsia have become intensified since Feb. 4 with both sides suffering heavy casualties. An official report issued at Peiping on the day gave the number of killed and wounded totalling 8,000 since the outbreak of the war two weeks ago. According to reports reaching Peiping, Gen. Sun's men have captured Hsin-Hsianghsia City as a result of a terrific encounter. The captured city is only about seven miles away from the Ninghsia capital.

Reports from Nanking on Feb. 4 stated that the Government is considering to take drastic measures in dealing with Gen. Sun A stern order has already been issued, instructing General Sun to withdraw hs troops to Tengchow, near the Ninghsia-Suiyuan border, reorganze them into one division, institute rigid training of his men at the designated post and disband all bandits newly recruited by him. The order warned that the 41st Army will be totally broken up if the government's instructions are not complied with.

Under the orders of General Chiang Kai-shek, General Sun was dismissed from the command of the 41st Army on Feb. 5. At the same time General Ho Ying-ching wired the authorities of the five Northwest provinces, Suiyuan, Shansi, Shensi, Kansu and Chinghai, asking them to join any common measures against General Sun in the event that he persists in disobeying Nanking's orders. At the same time, Gen. Sun has wired his resignation to the Peiping Branch Military Council. Gen. Ho said that should General Sun resist the mandate, the five provinces of Suiyuan, Shansi, Shensi, Kansu and Chinghai would participate in a joint expedition, in which General Yen Hsi-shan had also indicated his willingness to join.

Sun Tien-ying's representative in Nanking. Lu Hung-kuei, was taken into custody by the Nanking gendarmerie on Feb. 5. according to governmenr's orders. Gen. Sun's Nanking office has also been sealed and the staff placed under surveillance.

General Chang Hsueh-liang Appointed Deputy Bandit Suppression Commander

By a mandate of the National Government on Feb. 7, Gen. Chang Hsueh-liang was appointed vice-Commander-in-Chief of the Government Bandit Suppression Forces in the Provinces of Honan, Hupeh and Anhui. The appointment was recommended by the Executive Yuan and was an outcome of a long series of conferences held between Gen. Chang and the Government leaders and Gen. Chiang Kai-shek. Gen. Chang is still at Hangchow, but it is learned that he will shortly assume the new office and proceed to Hankow to organize his Headquarters there.

Gen. Chiang Kai-shek, Chairman of Military Affairs Commission, arrived at Hangchow on Feb. 1 by train from Shanghai, where he remained for only two hours following his arrival from Nanking on Jan. 31. Gen. Chiang spent a busy day on Feb. 1 in attending the ceremonies for the graduates of the Central Aviation School at Chienchiao and in receiving high officials of the Chekiang Provincial Government. Gen. Chiang is planning to fly to Foochow shortly to direct rehabilitative affairs in Fukien province. After concluding his trip in Fukien. he will return to Nanchang and resume his campaign against the Communists.

Gen. Chang Hsueh-liang, who went to Hangchow on Jan. 31, held further conference with Gen. Chiang regarding the development of aviation in China and the question of his future during Gen. Chiang's stay at the Chekiang Provincial Capital. Interviewed, Gen Chang said that another world conflict was imminent and China would inevitably be involved. He urged that China should devote more attention to the development of aviation and prepare herself for the coming catastrophe.

As a result of further conferences with Gen. Chiang Gen. Chang was reported on Feb. 5 to have been offered the post as vice-Commander-in-Chief of the Government's Bandit Suppression Forces in the provinces of Kiangsi, Anhui, Honan, Hupeh and Hunan with headquarters at Hankow, Official announcement of the appointment will be made shortly. The post will confer on Gen. Chang vast powers over the five provinces and ranks second only to that of Gen. Chiang Kai-shek.

In response to an urgent call from Gen. Chiang Kai-shek, Dr. H. H. Kung, Minister of Finance, flew to Hangchow on Feb. 3 aboard Gen Chiang's private airplane. Dr. Kung conferred with Gen. Chiang on the question of finances of the Government and of appropriations in arrears for the Government troops engaged in the Communist suppression campagns. T. V. Soong, former Minister of Finance, also participated in the conference. Both Dr. Kung and Mr. Soong returned to Shanghai on Feb. 5.

According to a *China Press* telegram from Hangchow on Feb. 4, Gen. Chiang Kai-shek had abandoned his plans for a visit to Foochow, but will fly direct to Nanchang to resume his command of the bandit-suppression forces in Kiangsi. Gen. Chiang has concluded an important conference on problems of the moment with Gen. Chang Hsueh-liang, Dr. H. H. Kung and T. V. Soong. Mr. Soong left Shanghai on Feb. 3 to join the conference, but his departure was kept secret until his return to Shanghai, on Feb. 5.

C. I. F. R. C. Obtains $200,000 Bank Credit

A significant step in the growth of the rural co-operative movement fostered by the China International Famine Relief Commission occurred recently when a new agricultural credit agreement was reached between the Commission and three leading banks. Under the terms of this agreement the Bank of China, Kincheng Banking Corporation and Shanghai Commercial and Savings Bank jointly undertake to extend credit to the co-operative societies under the Commission's supervision without participation of funds of the C.I.F.R.C. The new arrangement places a credit of $200,000 at the disposal of the co-operative societies. The C.I.F.R.C. is now enabled to entertain loan applications from the co-ops without restrictions. In addition, the farmers belonging to the co-operatives are now able to enjoy commercial credit facilities on more advantageous terms than those in mercantile business and industries.

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

Likin and Transport Taxes

(From the "China Press" Feb. 6)

Two Kuomin reports published yesterday indicate the difficulties that are experienced in preventing irregular taxation. Likin has been officially abolished for a long time, but in some of the provinces, although the world likin is avoided, the taxation goes on much as before.

It appears that the provincial government of Hunan has made local regulations governing the control of cotton yarn which, according to the Chinese Cotton Manufacturers' Association impose various restrictions upon the transport of such goods in Hunan. The Ministry of Finance, to which an appeal was made points out that with likin abolished, cotton goods should be subject only to the consolidated tax and that once this tax has been paid, they should be allowed to be transported throughout the country without further restrictions of whatever nature. The provincial regulations in question, it is stressed, are in conflict with the national government regulations and tend also to hamper the development of the native cotton industry.

A petition has also been presented to the Ministry of Communications against the collection of taxes on parcels sent through the post. This practice is said to obtain in Hunan, Kweichow, Yunnan, Kwangsi, Shensi, Kansu, Charhar, Suiyuan, Ninghsia, Sinkiang and Kokonor. The rate of the tax varies from 20 per cent advalorem to a $5 flat per parcel. As this tax is essentially a form of likin, the petition recommends that immediate steps be taken to prevent its further collection. Pending a thorough reorganization of national taxation, some sympathy can be felt for provincial authorities who are unable to balance their revenue and expenditure. But it is clearly undesirable that likin should be reintroduced under any disguise.

The Most Prosperous Industry in Japan---Munitions

(From the "Japan Chronicle," Jan. 6.)

In the Diet the other day, a member suggested that there should be a special tax on the munitions industry, this being the most prosperous of all industries in Japan at present. In 1931, imports of firearms amounted to Yen 778,867; in 1932 there was a sudden expansion to Yen 5,827,595; long before the end of 1932 it was perfectly obvious that Japan was in no danger of interference with her plans on the mainland, and it had already been announced many times that the bandits were all but exterminated, yet in the year 1933 the imports of firearms came to Yen 6,452,077. These would be a very small amount in a war, but Japan makes nearly all her own weapons now, and this importation is only for some very small percentage of special requirements. The progress of the munitions industry may be more properly judged by the imports of "special steels," which in 1931 came only to Yen 884,981, in 1932 to Yen 2,096,437, and in 1933 to Yen 4,865,018. "Special steels" have uses, of course, apart from the manufacture of arms; but the increase in such uses would be slow, and this sudden increase indicates, for a certainty, an increase in the munitions industry. So far as values are concerned, we find much larger increases in other forms of iron. Pig-iron, for instance, rose from 11 million yen in 1931 and 12 million in 1932, to 25 million in 1933; and iron in all its forms from 48 million yen in 1931 to 136 million yen in 1933. Much of this, of course, might be for ordinary purposes, but it has to be remembered that it has taken place at a time when Japan is making every effort to be "selfsuppplying" in iron and in fact, is approaching that condition for ordinary purposes. The increase in the import of scrap from 7 million yen in 1931 to 38 millions in 1933 indicates a growth of the home industry, a large contribution of scrap always going to the making of steel from the Manchurian ores. These being fairly busy times, and Manchukuo being in the full flush of development, much iron is doubtless being used for peaceful purposes, but the big increase looks, nevertheless, very much like preparations for war. Then, too, there are other materials required for war, especially nitrates. Of these the import almost doubled in 1933 compared with 1932, and a telegram published elsewhere in this issue names eleven ships all under charter to carry nitrates to Russia and Japan. The suggestion almost makes itself that Russia and Japan are taking precautions against coming to blows.

U. S. Supreme Court Makes the New Deal More Secure

President Roosevelt's "New Deal" came to a test before the U. S. Supreme Court several weeks ago when by a five to four decision the Court ruled that John Blaisdell could have more time to pay that $3,700 mortgage on his Minneapolis home. The decision, upholding the Minnesota mortgage moratorium law is hailed throughout the country as one of the most important in a generation—or longer. The specific issue was the constitutionality of the Minnesota law extending the time for redemption of mortgaged property sold under foreclosure. But it involved the far more vital general principle whether in emergency the "public welfare" takes precedence over "individual rights." The majority opinion was written by Chief Justice Hughes, with Justices Brandeis, Stone, Roberts and Cardozo concurring and Justices Sutherland, Van Devanter, McReynolds and Butler dissenting.

Thus it will seen that Chief Justice Hughes, whose appointment was fought on the score that he was "reactionary," has given a decision showing a decided "liberal" tendency. The irony of the line-up is that three of the five "liberals" who endorsed the New Deal were selections of President Hoover, leading exponent of the old order which Mr. Roosevelt is renouncing. Mr. Hoover appointed Justices Roberts and Cardozo as well as the Chief Justice. Mr. Coolidge selected a fourth of the five liberals—Justice Stone.

Silk Industry to Benefit from U.S. Loan

Thirty-six commercial, industrial and financial leaders including many prominent men in Shanghai have been invited by the National Government to serve as members of the Silk Industrial Commission to be attached to the National Economic Council.

The commission is headed by Tseng Yang-fu, head of the Reconstruction Bureau of the Chekiang provincial government, who serves as chairman of the standing committee of the Silk Industrial Commission. The standing committee consists of nine members including Chang Chia-ngau, general manager of the Bank of China; Hu Pi-kiang, general manager of the China and South Sea Bank; Messrs. Tan Hsi-hung, Shen Pai-kwang, Leng Shih, Hsueh Shou-hsuan, Wu Shun-pai, Ko Ching-chung and Ho Shang-ping.

Other members of the Silk Industrial Commission are Messrs. Singloh Hsu, Chang Hung-lieh, Lin Yun-hai, Hsu Ting-hu, Liu Hang-shen, Tang Shou-min, Yeh Chao-tang, Y. M. Chien, Lu Tso-fu, Chin Jen-chuan, Chu Ching-an, Chu Fu-cheng, Shen Hwa-chen, Chow Chun-mei, Yu Tan-ping, Cheng Pi-chiang, Yang Pang-chieh, Huang Mien-tan, Liao Chung-chen, Chang Chieh-tsun, Tsai Sheng-pai, Wang Yen-sung, Lo Ching-hwa, T. H. Kwok, Chen Ju-hsuan and Ho Pin-liang.

Following protracted discussions between Mr. Tseng and T. V. Soong, it has been decided to appropriate from the U. S. $50,000,000 cotton and wheat loan the sum of $2,000,000 as expenses of the new commission for the development of the silk industry in China.

The National Economic Council will shortly establish two branch offices, one in the North-west and the other in Kiangsi. The regulations governing the organization of these branch offices have been approved by the National Government. The Council contemplates the organization of an Agricultural Department, with Messrs. Chao Lien-fang and Hsu Shih-lien as director and vice-director.

Paper "Bars" Instead of "Gold" Bars After March

The Governors of the Shanghai Gold Bar Exchange Feb. 7 agreed to abandon the basis now in use for speculation in gold bars, effective March 31. The cash bar—actual gold—which will be dealt in on a basis of the Customs Gold Unit, effective February 16, is not affected by this ruling.

The governors also agreed to accept the United States dollar at its present value as a basis for trading in speculative bars on the exchange for April Settlement. The weight and fineness of the speculative bar has been decreased approximately 41 per cent so as to conform with the "Roosevelt" dollar. The value of this bar in Shanghai currency will be about $1,000.

In the meantime, speculation on a semi-sterling basis in speculative or "paper" bars will be continued, but all positions must be set off against the London arbitrary crossrate of 4.9605 in March. In other words, this means there are three types of bars on the local exchange until positions in the present semi-sterling speculative bars have been liquidated. When the speculative positions in the latter have been liquidated, the new speculative bar and the cash will be the only two handled.

Action of the board of governors of the exchange inl maintaining a speculative bar on a semi-sterling basis unti their positions have been liquidated is welcomed by Shanghai speculators. Had a changeover occurred following the decision of the governors to adopt a new standard for speculative dealing in bars, it is said that losses would have been heavy.

Action of the governors in deciding to adopt the Customs Gold Unit as a basis for trading in cash or actual gold bars will virtually eliminate speculation in this type of bar, which is principally used in bank transfers and clearances.

Who's Who in China

王星拱字撫五
Wang Sing-kung (Wang Hsin-kung)

Wang Sing-kung, University professor; born in Anhui, 1889; studied in England for nine years, 1908-17; obtained A. R. C. Sc. (Associate of Royal College of Science of London) in Chemistry and D.I.C. (Diploma of Imperial College, London); professor at the National Peking University 1917-26; professor, School of Science, National Central University, Nanking; technical member of the National Construction Commission, Nanking; professor and Concurrently head of School of Science of the National Wuhan University, since 1927 up to the present; author of "Scientific Method" and "Introduction to Science," address: School of Science, National Wuhan University, Wuchang, Hupeh.

王星拱字撫五，年四十五歲，安徽人，英國倫敦理工大學化學碩士及倫敦皇家學院畢業，歷任國立北京大學化學教授，國立中央大學理化學院化學系教授，國民政府建設委員會專門委員，現任國立武漢大學教授，兼理學院院長，著有科學方法論，科學概論等書，

Gen. Huang Plans Overland Trip to Tibet

Gen. Huang Mu-sung, Vice-Chief of Staff, who has been appointed Government envoy to Tibet to pay tribute to the late Dalai Lama, is planning a 90-day overland trek through the northwestern provinces of Shensi, Kansu and Chinghai to the Tibetan capital. While several members of his staff will enter Tibet via India, Gen. Huang is said to have decided to travel overland to study the conditions in the Western border provinces. Gen. Huang is scheduled to leave Nanking soon on a 15-day trip to Hsining, Capital of Chinghai (Kokonor). From Hsining, he will proceed to Changtu, on the Kokonor-Tibet border. The trip will take him 35 days. The last "leg" of the trip from Changtu to Lhasa will take 40 days.

The Panchen Lama, who was appointed a member of the State Council of the National Government by the recent 4th Plenary Session of the C. E. C. of the Kuomintang, will shortly assume office. As a tribute to the late Dalai Lama, he has ordered Lama ceremonies to be conducted in the Examination Hall of the Examination Yuan and the Buddhist monks to hold a prayer in a temple at Nanking for the departed Tibetan ruler.

Chinese Woman Proletarian Writer Said Still Alive

Miss Ting Ling, well-known Chinese woman proletarian writer is still alive and is staying at Mokanshan near Hangchow, according to a *Reuter* message from Peiping on Jan. 30, quoting the *Ta Kung Pao* at Tientsin.

Miss Ting Ling mysteriously disappeared from her Shanghai home last Autumn. According to her friends she was abducted by official agents and later carried to Nanking, where she was done to death. This was denied by official circles but up to the present the whereabouts of the writer is still a mystery, although the majority of the proletarian writers are positive that she is dead.

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In the United States Court for China

In re. Estate of GERALD KILES, Deceased	Cause No. 3621 Special Proceedings No. 939 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of GERALD KILES, deceased, to present the same with vouchers to the undersigned on or before July 20th, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. J. Lamneck,
c/o The Chase Bank,
Shanghai, China.

Shanghai, China, January 15, 1934.

Men and Events

Shanghai flourmills are "long" on four million bags of flour. About 40 percent of the mills are idle.

Rev. D. Willard Lyon delivered a lecture on "Thought Trends in Modern China" before the North China Branch of the Royal Asiatic Society Feb. 8.

O. S. Little, who has been manager of the Imperial Chemical Industries in Manchuria for several years, has decided to retire from the Far East and will hereafter live in England.

The American Oriental Banking Corporation's financial statement for the past year shows a net working profit for 1933 of $821,907.74 as against the previous year's figure of $579,487.75.

Yukichi Yoshida, Japanese student of the University of South Dakota, who on December 15 last year shot and wounded a fellow student, was ordered deported from the U. S. Jan. 29. He had been posing as a "prince."

Frederick Fischer, accompanied by his wife, retired head of Fischer Brothers Co. of Seattle, large wholesale grocery firm, passed through Shanghai end of last week on the Dollar liner *President Lincoln* on a trip round the world.

Dr. Benito Mari, Italian League of Nations adviser to China, proceeded to Hongkong dnring the week to make an investigation of the sericultural industry in Kwangtung. He is attached to the National Economic Council.

Lt. Col. E. P. Moses will stand detached from the U. S. Fourth Marines stationed at Shanghai on or about March 7, and will be transferred to Cavite, P. I., for duty as Commanding Officer of the Marine Barracks at that station.

Construction work on a light railway connecting Chapei with the Civic Center in Kiangwan (Shanghai suburb) is to be started at an early date. Detailed plans as well as survey work on the proposed route have already been completed.

Richard J. Walsh, editor of *Asia*, arrived in Shanghai from the United States this week. Formerly editor of *Collier's Weekly*, Mr. Walsh was appointed editor of *Asia* four months ago. He plans to tour the Far East before returning to the United States.

It is learnt at the Naval Ministry that the two new Chinese gunboats *Chung-Ning* and *I-Ning*, nearing completion at the Kiangnan Dockyard, will be launched Feb. 15. The keels of two other gunboats, the *Cheng-Ning* and *Chang-Ning*. will be laid on the same day.

Cigarette (rolled tobacco) factories may be established only at Shanghai, Tientsin, Hankow and Tsingtao, according to a ruling issued by the Ministry of Finance Feb. 4. The Ministry desires to concentrate such factories in a few of the more important ports so as to facilitate control.

Dr. W. W. Yen, Chinese Ambassador to Russia, who returned to China last week, proceeded to Nanking Feb. 5 where he visited Lin Sen, chairman of the National Government, and Wang Ching-wei, president of the Executive Yuan. From there he proceeded to Tientsin and Peiping.

J. B. Powell, editor and publisher of the *China Weekly Review*, is at present in Tokyo. Long telegrams supplied by Japanese new agencies and reprinted in several daily newspapers in Shanghai to the effect that Mr. Powell would not be allowed to land in Kobe, proved to be unfounded.

The death occurred in Hongkong Feb. 5 at the age of 48, after an attack of pneumoma, of Dr. K. von Sick, commercial manager at Shanghai for the Siemens-China Co. Dr. von Sick departed from Shanghai on home leave two weeks ago, but had stopped off at Hongkong for business reasons.

Direct radio communication between China and Britain was formally inaugurated Feb. 3. Messages of congratulation were exchanged between Wang Ching-wei, president of the Executive Yuan and concurrently Foreign Minister, and Dr. Chu Chia-hwa, Minister of Communications, and Sir John Simon and other high British Government officials, to mark the occasion.

The report that the National Government had placed a ban on the filming, in China, of Pearl Buck's best-seller, "The Good Earth," was officially denied at Nanking Feb. 5. A spokesman of the Government said a representative of the American film company concerned was conducting negotiations with the administration. The conversations, he said, were still in progress.

George J. McCarthy, former assistant general passenger agent of the Dollar Steamship Line, has been named Oriental passenger traffic manager; Don Tinling has gone to Manila, where he has been appointed Oriental freight traffic manager; W. T. Goodwin, former general agent of the freight department, has also been appointed Oriental freight traffic manager. It is understood that he and Mr. Tinling will operate jointly in that capacity.

Julean Arnold, American Commercial Attache, addressed the Chinese history class of the Shanghai American School on "Trade between China and the United States," Feb. 9.

The local silk trade is apparently improving, as it is reported that ten silk factories have already re-opened and resumed business. More are expected to follow suit, as prices are rising.

An article in the current *Literary Digest* on the work of Miss Perkins (Mrs. Paul Wilson), Secretary of Labor, says that when she was asked in the Congressional hearings in connection with the Conservation Corps whether she thought it proper to force a man to leave his family for a whole year, she replied that it might be the best thing that could happen in some cases.

Former Law Partner Files Claim Against Cornell S. Franklin

Cornell S. Franklin, member of the American bar, was named defendant in a petition asking for Tls. 47,474.12 which was filed at the U.S. Court for China Feb 7. The plaintiff is Walter Chalaire. The petition, which was filed by Paul F. Faison, representing Mr. Chalaire, who is now in the United States, claims that the plaintiff and defendant were partners in a law firm here from 1924 until 1928 under an agreement by which 60 per cent of the profit was to go to the plaintiff and 40 per cent to the defendant. Another agreement was entered into by the partners on February 10, 1927, when the plaintiff desired to take a vacation and it was agreed that the same division of the profits and obligations would be continued until January 1, 1928, the petition says. It is on the basis of this agreement that the claim is made.

B.A.T. Check Forgery Leads to Charges in Three Courts

The British, Portuguese and Chinese courts have been busy during the past week taking evidence in connection with charges laid in connection with the forgery of a British-American Tobacco official signature on a check for $136,688,25 which was cashed several weeks ago by the Chartered Bank of India, Australia and China. A. C. Mack, charged in the British Police Court, was described in evidence given by a Russian named Ionin, himself charged in the Chinese court, as the brains of the forgery conspiracy. The blank checks, according to Ionin, were obtained in a Japanese printing shop, copied from a genuine Chartered Bank form obtained by Wang Tsen-kuan, a Chinese employee of the bank. Francisco Baptista, a Chartered Bank employee, is facing a charge before the Portuguese Court in connection with the forgery.

Sun Sun Department Store Manger Murdered by Dismissed Watchman

Li Min-chou, general manager of the Sun Sun department store in Nanking road, was murdered Feb. 1 by a watchman he had just dismissed. Mr. Li, who was a Cantonese and about 50 years of age, had been general manager of the store since the death two years ago of Liu Chi-chieh, the first manager of the business. He was shot once in the region of his heart and died soon after reaching the Lester Chinese Hospital. The murder was committed in Mr. Li's suite of rooms in the Sun Sun Hotel, located in the same property as the Sun Sun Store. The watchman, Chau Shau-zung, 47 years old, had been dismissed from the employment of the Sun Sun Company earlier the same day by Mr. Li. He was arrested several hours after the murder in a nearby teahouse; he told the police in confessing the slaying, that he was discharged because of his age although he had been with the company for eight years, and that revenge was his motive.

William Martin Dies at Geneva

Geneva, Feb. 7.—(*Chiekiai* Agency)—William Martin, formerly editor of the *Journal de Geneve* and Professor of Political Economy in the University of Zurich, died this morning of double pneumonia. Mr. Martin, upon the joint invitation of a group of Chinese universities, came to China last year to lecture on international affairs. He spent some six months in China, visiting Nanking, Shanghai Canton, Peiping and other university centers.

Recognized as one of rhe leading journalists in Europe, he was a staunch supporter of the League of Nations. He was author of many books among which one of the best known is, Japan Against The League of Nations. He returned to Europe last September and in his addresses to the various organizations which welcomed him, he stressed the point that China was going through a formative period and was impressed by the progress she was making under the national government.

Marshal Chang Hsueh-liang Going to Hankow

(From the Review's Correspondent at Hankow)

WITH the return of the chairman of the Hupeh provincial government, General Chang Chun, and Dr. C. P. Chen, Hupeh commissioner of education, from the meeting of the C. E. C. at Nanking comes the added news that Marshal Chang Hsueh-liang is soon to arrive in Hankow to assume his position as Vice-President of the Anti-Bandit Suppression Commission for Kwangtung, Kiangsi, Hunan, Hupeh, and Anhui. There is no definite news about how he will proceed with his campaign, but it stands to reason that if he is to do this sort of work he will have some definite line of conducting his campaign. His arrival will be awaited with interest, even though there is some feeling against him, because he did not put up a better fight in Manchuria. Time only will tell whether he can live down that reputation for cowardice, which the younger Chinese nationals have passed around. Another guest coming to Hankow is the former mayor of Nanking, Shih Ying, although the Executive Yuan is trying to persuade him to remain in Nanking.

Unusually Low Water in the Yangtsze

With the water level at Hankow just 1.8ft. on Feb. 4 navigation on the Yangtsze both above Hankow and below is something of a difficult art these days and all captains are having to spend sleepless days and nights figuring out how they may avoid going on the rocks or sand-bars. General Chang Chun and party were forced to transship at Wuhu, the river being very shallow here, only eleven feet. Leaving the steamer *Kiangwha* they boarded the *Wuhsueh* and arrived in Hankow Feb. 2.

Travelers from upriver also tell of transshipping between Ichang and Hankow, the river having fallen from ten to fifteen feet. The gunboats are also experiencing hard going on the hidden sandbars of the middle river, in spite of the fact that they are specially rigged out for low water navigation. Both the U. S. S. *Oahu* and the U. S. S. *Palos* have had difficulty of late in negotiating the channel between Ichang and Hankow.

At K'unglingt'an, a notorious rapid 33 miles above Ichang, captains of gunboats and of other river craft are happy to have the South Channel during the low water season. This channel was vastly improved by the blasting conducted by the Upper River Inspectorate and H. R. Dixon. By the use of 16,000 lbs. of dynamite and delignite two huge rocks were removed from this channel early in 1933. Ever since this has been a safe route for river steamers, and a great improvement on the North Channel in low water.

The S. S. *Changhsin* of the San Peh. S. N. Co., yesterday reported run aground in the Matung Channel, is still stuck fast. Passengers have already transshipped to another ship of the same line and the goods are being transferred to lighters for transportation to this port. The San Peh Co. hopes to have the ship off the sandbar within a few days. Another steamer is aground in the same channel, the S. S. *Kien Kwo* of the China Merchants S. N. Co., while on her way to Shanghai.

Bandits on the Shansi-Honan Border Again Active

Troops from Luan report that bandits are active in the district of Shaohsien, which is the first hsien city across the border from Shansi. While the farmers have been having peace and order this new disturbance has aggravated the situation. To the east are the misbehaving troops of Liu Kwei-tang. The fall of six inches of snow has been been welcomed by all the farmers as a God-send.

Hankow, Feb. 5, 1934.

Fighting Renewed Between Rival Warlords in Sinkiang

Severe fighing is again occurring in Sinkiang, Chinese Turkestan, according to reports received at Moscow from the capital of the province, Tihwa. Troops belonging to the Sinkiang provincial government are holding the city against a severe onslaught by an army of Tungans commanded by General Ma Chung-yin, the Mohammedan rebel leader. General Ma is reported to possess vast supplies of ammunition, but, despite repeated assaults, his forces have failed to take Tihua.

During the attacks, which on each occasion were beaten off by the defenders of the provincial capital, General Ma's men have suffered heavy losses.

As loyalist reinforcements are rushing to the support of the troops holding the city, the Tungans are reported to be abandoning their revolt and surrendering their arms.

Tihua, which has a population of 30,000, is surrounded by double walls which, in ancient times, made it impregnable.

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Correspondents at all principal cities throughout China and foreign countries

CUSTOMS NOTIFICATION NO. 1339

The public is hereby notified that with a view to facilitating the identification of locally manufactured articles, made from imported parts, bearing marks indicating foreign origin, shipped from one open port to another, it would be well for merchants shipping such articles to declare on their applications that the goods consist of native-manufactured goods made wholly or in part of foreign-marked materials and to furnish the Customs with a supporting statement sufficiently detailed to enable the importation of the component parts to be traced.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 8th February, 1934.

New Books of Interest in the Far East

The Armament International

The Bloody Traffic, by A. Fenner Brockway: published by Victor Gollancz, Ltd., London.

Mr. Brockway, who is a leader of the British Independent Labor Party, which is somewhat nearer the Communists than the Labor Party with all three being equally impotent in scoring any substantial achievements toward socialism in England, makes a rather impassioned indictment of armament firms on ten specific counts. These allegations are:

1. Armament firms have formed an international ring to intensify armament rivalry in order to get larger orders.
2. They have exploited their own nations by artificially maintaining exorbiant prices through the operations of armament trusts.
3. Whilst claiming to be patriotic, they have supplied *all* countries, friendly or hostile, with armaments.
4. They have deliberately created war scares.
5. They have influenced countries to be warlike.
6. They have bribed government officials.
7. They have lied about the military and naval programs of other nations.
8. They have used their influence over the press in order to inflame public opinion.
9. They have used their influence in banking institutions to finance increased armament programs in other countries.
10. They have sent representatives to international conferences to hinder the achievement of disarmament.

Sufficient proof to convict on all these charges is presented by Mr. Brockway, and his evidence includes many illuminating items on current events. Hitler, for example, was supported in his rise to power by the Skoda Works in Czecho-Slovakia since the Nazi success was viewed a prelude to German re-armament,—and the Skoda Works are a subsidiary of the *French* combine, Schneider-Creusot. After Matsuoka was slapped on the wrist by the League of Nations (Britain voting for the slapping), he went to England as a guest of Metropolitan-Vickers.

The international tie-up of armament firms is given in detail. Vickers-Armstrong (Britain) has associated companies in Canada, Ireland, Spain, Italy, Rumania. New Zealand, India, Holland, Poland, Japan (part of the Mitsui combine), and France (part of Schneider-Creusot). Schneider-Creusot (France) is associated with Vickers (Britain) and with the Skoda Works (Czecho-Slovakia), which has associated companies in Rumania and Poland. Curtiss-Wright (U.S.A.) is associated with a Skoda subsidiary in Poland and with the Mitsui Combine in Japan. The Mitsui Combine (Japan) is associated with Vickers and Curtiss-Wright. The poison gas makers, who may sometime really end war by ending the human race, are equally citizens of the world; the Imperial Chemical Industries (Britain), the I.G. Farbenindustrie (Germany), and Du Pont Nemours (U.S.A.), are interlocking.

Of course, all Mr. Brockway really proves is that the capitalist system is above and beyond national boundaries, or, another way of putting it, is that class lines are far more important than national (or racial) lines although only the capitalists of the world have developed any appreciable class consciousness. Armament firms are not only tied up together all over the world, but they are inextricably interwoven with the rest of the capitalist fabric. Banks, as Mr. Brockway cites, "have a large share in the ownership of the armament firms." In England, the 15 men on the Boards of Vickers and Armstrong hold 127 directorates in other enterprises, including finance, steel, electricity, railways, coal, shipbuilding, shipping, nickel and newspapers. Mr. Brockway is indeed correct in saying that one cannot read this list "without being impressed by the intimate connection between armament manufacture and the general control of industry."

Mr. Brockway records that the Imperial Chemical Industries is one of the few prosperous corporations in Britain; last year it reported a net profit 38% greater than in the previous year. Further, it increased the wages of its workers without any request on their part,—which appeals to this reviewer as capitalism at its canniest.

Another note on capitalistic class consciousness is Mr. Brockway's quotation from Thomas A. Morgan's testimony before an American congressional committee on the export of American military airplanes.

"A good part of the export trade in aircraft equipment is with foreign governments," said Mr. Morgan. "The smaller countries have found an air force to be an inexpensive means of defense against revolutionary movements . . . As illustration we have only to recall the revolution of the Chilean navy involving warships costing millions to build; the uprising was suppressed by the Chilean government flying airplanes over the ships and threatening to bomb them. A more recent instance has just occurred when the crew of a Dutch warship in the Dutch East Indies revolted and surrendered after one bomb was dropped from a Dutch government airplane."

So in the end, Mr. Brockway's indictment of armament firms is far more inclusive than he indicates at the beginning. "To end the Bloody Traffic," as he himself admits in his concluding paragraph, "we must do much more than nationalize armaments. We must bring about a revolution—a complete transformation—in the basis of the present system of civilization."

Which is a rather large order and one than does not appear likely to be filled at any time in the near future. Meanwhile, this reviewer agrees with a statement of Sir Herbert A. Lawrence, chairman of Vickers, Ltd. at the annual meeting of that company last year: "The existence of armament firms is the result—not the cause—of the incidence of war." But it should be added that war is an inevitable aspect of the social system they represent—and maintain.

W. B.

Japan as a Frenchman Sees It

The Soul of Japan, by F. Challaye, translated by Nancy Stallibrass; George Routledge and Sons, Ltd., London, 1933. 152 pages.

This book is written with a laudable purpose, that of presenting to Westerners an appreciation of an Eastern civilization. The author feels that "it might and ought to be the historic mission of Japan to bring together and unite the white and yellow races, for the good of humanity." Japan is painted as the heroic and surpassingly artistic race that is trying to unite the world races, to reconcile East and West. We can understand the appreciation of the Japanese for beauty, courage, filial piety, honor, patriotism and nature but we should like a bit more of the critical in this essay. Just now we cannot see great desire on the part of the Japanese to unite the world or to interpret the East in an Oriental manner. Perhaps this desire is more in the mind of our French author than in the soul of the Japanese he so greatly admires.

Two or three sentences of criticism are all that occur in the whole essay and they elaborate the following statement—"European civilization has introduced into, or developed in the Japanese soul two sentiments in which it was previously either lacking or deficient: respect for truth and love of human equality." To us respect for truth seems vital but we realize the difference in values placed upon truth in Occident and Orient. Years ago we heard a scholarly paper on this subject given in Shanghai by one of our friends there and his exposition of Eastern ideals in regard to truth was most enlightening.

M. Challaye's essay quotes some charming incidents showing that he has been particularly impressed by the artistic and sentimental aspects of his study. He refers many times to the books of Okakura Kakuso, "Awakening of Japan" and "Oriental Ideals." Some touches in Challaye's essay are highly diverting. In writing of Japanese courtesy he states, "When standing, one bends low, making a sighing sound that expresses deference; if kneeling or sitting on a cushion, one throws oneself flat on one's belly, with one's face against the matting, and, looking out of the corner of one eye at the guest one wishes to honor, takes care not to get up before him." In quotation from the "Pillow Sketches" of a clever and celebrated Japanese woman of the tenth century we find the following—

"A Hateful Thing.—A commonplace person who talks a great deal, with the air of being an authority on everything."

"A Thing which makes the Heart beat Faster.—A handsome man who stops his carriage and says he is coming to see you."
(We agree with this. It sounds very modern.)

"An Object of Disdain.—A man with too good a reputation."

To M. Challaye the Japanese soul is beautiful, charming and noble. We feel, however, that his argument for these characteristics is weakened by his last sentence (the italics are ours), "How can we fail to renounce, finally and unreservedly, the stupid presumption of the inferiority of the non-European races, after having verified the worth, the beauty, the charm, the nobility of sentiment, which have inspired *and will always inspire the soul of Japan?*" We would not belittle the claims of racial equality but we wish to see them founded upon more sterling characteristics than those lauded by M. Challaye.

G. B. S.

Recent Pamphlets eceived

Understanding Manchuria: A Handbook of Facts, by Roy Hidemichi Akagi, Ph.D., published by the South Manchuria Railway Company, was prepared for distribution at the Chicago World's Fair and is superior to most Japanese English-language propaganda. There are really quite a few facts, intelligently presented, in the book, but mixed up with them are all the usual Japanese rationalizations of their conduct.

Organizing Peace, by Maxwell Garnett, published by the League of Nations Union, London, is a defense of the badly buffeted Geneva organization. The booklet is being distributed in China by V. K. Wellington Koo.

How China Views Sino-American Treaty Revision

The following editorial, which appeared in the Shanghai "Shun Pao," one of the oldest and widest circulated newspapers in China gives a fair indication of how the Chinese people view the problem of extraterritoriality and related subjects.

According to Article 17th of the Sino-American Commercial Treaty of 1903, the term of the agreement was ten years and it could be revised at the expiration of the ten-year period at the request of either contracting party. On January 13 the third ten-year term of the Treaty expired, hence the Chinese request for revision.

In the forthcoming negotiations for the revision of the Treaty two points should be emphasized by the Chinese authorities. One is the freedom of domicile of the nationals of the contracting parties in each other's country and the other is the Extraterritorial rights. United States nationals are given perfect freedom of residence at treaty ports and carry on trade as well as enjoying the most-favored-nation treatment in China. But the Treaty does not mention that Chinese should have similar rights in the United States. This is decidedly unilateral.

The United States has been maintaining discriminating treatment of colored people for many years. The Chinese people being of the Yellow Race, America has discriminated against them. The Chinese people have long felt dissatisfied with such an arrangement and this culminated in the anti-American boycott movement in 1905.

It must be pointed out that the discrimination maintained by the United States Government against Chinese people is in flagrant violation of the Interntional Law which rules that all nations are equal. In promulgating many anti-Chinese immigration laws and in offering various inconveniences to the Chinese community in that country the United States Government has purposely ignored its treaty obligations and international faith. It is impossihle for the Chinese people to subject themselves to the same treatment any longer. Now the old treaty has expired and a new one is to be concluded. It is up to the Chinese Government to demand equality between the two peoples and to make their treatment in each other's country reciprocal. At least the Chinese nationals in the United States should enjoy similar protection and treatment as the other nationals are receiving in that land.

Since the outbreak of the Sino-Japanese Incident, there has been a demand in the United States for the revision of the immigration laws governing the Chinese and Japanese. California has been known as the most radical state in opposing Chinese and Japanese immigration. But now even this state has adopted a milder attitude. The only people which are still opposed to a more liberal policy concerning Chinese and Japanese immigrants are the workers. The present moment is a most convenient time to start such negotiations.

Extra-territoriality has never been a good system in China, even the Americans themselves have recognized that. In the existing Sino-American Treaty of 1903 it was mentioned that the Extra-territoriality system would be abolished as soon as the judicial system in China has been sufficiently improved as to be equal to that of the western Powers. When Dr. C T. Wang conducted his negotiations in 1929 for the abolition of Extra-territoriality, the United States Government also expressed its willingness to negotiate the matter with the Chinese Government. Although the Chinese Government formally announced its abolition by the end of 1929, that was not a fundamental solution. A treaty could not be ended by renunciation by one side as such must be settled through negotiations. Now that the Sino-American Treaty has expired the present moment is the most suitable time for China to demand the abolition of Extra-territoriality by the United States in China. Japan ended this system in her country through negotiations, and there is no reason why China should not do the same.

Formerly the Chinese Government discussed this issue with all the countries simultaneously, which policy failed. This time the Government should pick out the nations one by one and handle them separately. Japan succeeded in freeing herself from the yoke of Extraterritoriality through separate negotiations with the Powers. That should serve as a lesson to us.

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CUSTOMS NOTIFICATION NO. 1338

The public is hereby notified that, in accordance with Government instructions, the values marking the dividing line between grades of paper in the new metric edition of the Export Tariff are to be adjusted to correspond with those of the Interport Tariff. The values at present given against the Export Tariff headings concerned, viz., Nos. 164, 165, and 166, are accordingly altered from $31 to $30 for No. 164, and from $15.50 to $15 for Nos. 165 and 166.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 3rd February, 1934.

Real Estate Review by Realty Investment Co.

The Eastern District continues to be the most active in new construction; most of the new building is for industry. The largest plans to be approved this week are for a large dyeing factory at the corner of Meichow & Holung Roads. New building within the settlement for January was more than twice that of January a year ago and was the best month since November of 1932.

New Building—16 Chinese House; Chemulpo Road, north of Ward Road; additions to Factory, corner Chemulpo & Ward Roads; boiler House, off Point Road, near Tongshan Road; 5 Chinese hongs, Baikal Road, just off Yangtszepoo Road; wireless station for the Customs off Lay Road and the Whangpoo River; 7 Chinese hongs, Yuhang Road, east of Woosung Road; large foreign residence off Weihaiwei Road, near Seymour Road; 14 foreign houses with garages at Routes Delastre & Frelupt.

Work has started on the piling for a large apartment on the corner of Avenue Petain & Route Winling; 20 Chinese houses on Kiaochow Road, north of Avenue Road.

Sven Hedin Uses Ford Trucks in Expedition

A report dated December 24 received in Shanghai from Dr. Sven Hedin, head of the official expedition into Mongolia and Sinkiang, stated that he had reached Edsin-gol. Dr. Hedin's expedition is using four Ford trucks and one Ford sedan, which he says have proved excellent in every way.

A Talk To Sufferers From Insomnia

After a restless night, during the long hours of which you have tossed and turned, vainly longing for sleep, you sink just when day is breaking into a sort of torpor, which lulls and seems like slumber come at last. But this is not the sleep which recruits strength; it is simply mental and physical exhaustion, the giving-in of the nervous system for a while. And when the time to get up arrives, and you are called, the awakening comes as a shock. You feel worn out and quite unfit to rise and get ready for the labours of the day.

If you are subject to such attacks of insomnia the reason is that your nerves have been overworked or your blood has become impoverished and thin, with the result that your entire system is run down. In order that worse results may not folllow, the proper thing to do is to begin a course of tonic treatment, and for this purpose nothing could possibly be better than Dr. Williams' Pink Pills, these pills containing everything necessary to build up the blood and nerves. Thus your forces will be renewtd, your body's physical equilibrium will be re-established, calm health-and-strength giving sleep will return to you every night.

For sufferers from anaemia, neurasthenia, general weakness, the ill-effects of over-work, anxiety, mental or physical exhaustion, Dr. Williams' Pink Pills are a restorative of the utmost value. Test them yourself—chemists everywhere sell Dr. Williams' Pink Pills—and you will not be disappointed.

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The National City Bank of New York, Rates of Exchange

Shanghai, Feb. 7, 1934

Demand selling rate on America:	U.S.$100=Sh. $296.85
Demand buying rate on America:	U.S.$100=Sh. $293.58
Demand selling rate on London:	£1 0.0.=Sh. $14.769
Demand rate on buying London:	£1.0.0=Sh. $14.601

Latest New York Stock Exchange Quotations

Market—Steady **Business Done 4,330,000 Shares**

February 7, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Feb. 5	Tue. Feb. 6
13¾	3	—	Adams Express	11¾	11⅝
33	11¼	0.60	Alaska Juneau	22⅜	22½
156	70¾	6.00	Allied Chemical & Dye	155½	154¾
102⅞	19½	4.00	American Can	102	102¼
19⅜	5⅞	—	American & Foreign Power	12½	13¾
44⅞	7¼	—	American & Foreign Power 7% Pfd.	28¾	29⅞
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	53½	55
23⅝	3¼	—	American Metal Company	22	22¼
53½	10¾	—	American Smelting	46	46¾
134¾	86½	9.00	American Tel. & Tel.	123½	124⅜
94¾	50⅜	5.00	American Tobacco "B"	83½	84
43¼	10⅞	1.00	American Waterworks	25	27¼
80⅞	35	6.00	American Waterworks $6 preferred	77	77
22⅞	5	—	Anaconda Copper	17½	17½
18⅞	5⅞	—	Atlas Corporation	15½	15⅝
84¼	31	2.00	Auburn Automobiles	56½	55¾
37⅞	8¼	—	Baltimore & Ohio	34⅝	34
49¼	10¾	—	Bethlehem Steel	48¾	48⅞
37⅜	18	1.60	Borden Company	27½	26⅝
28½	5½	0.25	Borg Warner	28½	28
20⅞	7¼	—	Canadian Pacific Railway	16⅞	17¼
103½	30½	—	Case, J. I.	84½	85⅝
47⅞	16⅝	1.40	Chase National Bank	30½	30
52½	14⅞	2.50	Chesapeake Corporation	45⅝	44⅞
58⅞	7⅜	0.50	Chrysler Corporation	58⅝	57⅞
46¼	25	5.50	Cities Service Power & Light 5½s/52	46	45½
28⅞	9	0.50	Columbia Gas & Electric	17⅜	19¼
6⅛	1⅜	—	Commonwealth & Southern	2⅞	3⅜
64⅛	34¼	3.00	Consolidated Gas of N. Y.	45½	47¼
20¼	4⅞	—	Continental Oil	20¼	20½
9	2⅝	—	Coty Inc.	9	8⅝
5⅛	1¼	—	Curtiss Wright Company	4⅞	4⅜
102¾	32⅛	*2.00	Du Pont de Nemours	102⅛	101¼
91⅜	46	3.00	Eastman Kodak	91⅜	92
41⅞	10	—	Electric Bond & Share	20⅞	23½
66⅜	25	6.00	Electric Bond & Share $6 preferred	56	58
15⅞	3⅛	—	Electric Power & Light	8¼	9½
19¼	12	—	Fox Film "A"	16⅞	16⅞
10¾	2⅞	—	General Aviation	8⅜	8
30¼	10½	0.40	General Electric	25	24⅝
39⅞	21	1.50	General Foods	36⅜	35⅛
41½	10	*1.00	General Motors	41½	41
49½	13¼	1.00	General Railway Signal	42½	42¼
27⅜	12	1.20	Gold Dust	22¼	21⅞
47½	9¼	—	Goodyear Tire & Rubber	40⅛	40
80¼	27¾	2.00	Goodyear 7% Preferred	79⅜	79
40	6⅛	—	International Cement	36¾	36½
46	13⅝	0.60	International Harvester	46	46⅛
23⅞	6¾	—	International Nickel	23⅝	23½
21¾	5⅛	—	International Tel. & Tel.	17¼	17⅝
69½	20⅛	4.50	Int. Tel. & Tel. conv. 4½s of 1939	69½	68¾
65¼	12¼	—	Johns Manville	64⅜	64½
26	7⅜	—	Kennecott	22⅜	22⅜
79⅜	37½	2.40	Lehman Corporation	77⅝	77¾
99⅜	40½	*4.00	Liggett & Myers "B"	94	94½
36½	8½	1.00	Loew's Inc.	32⅞	33⅜
25¼	10⅜	1.20	Lorillard P. (Com.)	19½	19¼
33⅜	8⅝	—	Montgomery Ward	33⅜	33¼
64½	16⅞	1.00	National City Bansk (bid price)	29⅜	29½
41⅝	5⅝	—	National Distiller	30⅞	30
60½	34	5.00	New England Grs & Electric 5s 1947	60½	60
58½	14	—	New York Central	44½	44⅜
36½	12⅜	8% S	North American	22½	25¼
96¾	31½	2.00	Owens Illionois Glass	92	93
31⅞	15	1.00	Pacific Gas & Electric	20⅞	23
6⅞	1¾	—	Packard Motors	5⅛	5
42½	13¾	0.50	Pennsylvania Railroad	39	38⅝
6⅝	1½	—	Pennroad Corporation	4⅛	4
18¾	4¾	—	Phillips Petroleum	18¾	19½
12¼	3	—	Radio Corporation	9	9
54⅛	26½	3.00	Reynolds Tobacco "B"	43	43⅛
50⅞	12½	—	Sears Roebuck	50⅞	50⅝
19¼	6	1.00	Socony-Vacuum Corporation	19½	18½
28	14¼	2.00	Southern California Edison	20⅛	21⅞
22½	5⅛	—	Standard Gas & Electric	16⅛	17
77	35	6.00	Standard Gas & Elec. 6% notes 1935	67	71
49⅛	22⅜	1.00	Standard Oil Co. of N. J.	49⅛	48⅝
60¾	46	3.80	Sterling Products	55	53
8⅜	1½	—	Studebaker	7	6⅞
30⅛	10¾	1.00	Texas Corporation	29	28½
9⅛	2⅝	0.12	Transamerica	8⅛	8⅛
51⅞	19¾	1.00	Union Carbide & Carbon	49⅜	48½
132	61¼	6.00	UnionPacific	123	130
46⅞	16½	—	United Aircraft & Trans.	35⅝	35¼
14½	4⅛	—	United Corporation	7⅞	8⅜
25	14	1.20	United Gas Improvement	19¼	20⅛
25	2⅞	—	U. S. Rubber	19⅜	21
67½	23⅜	—	U. S. Steel	59⅛	59
51½	21½	*2.00	Universal Leaf Tobacco	46	43¼
36¼	7⅝	—	Vanadium	28⅝	28⅜
9⅛	1	—	Warner Bros. Pictures	8	7⅞
58¾	19⅜	—	Westinghouse E. & M.	46½	45½
53½	25⅛	2.40	Woolworth	53½	53½

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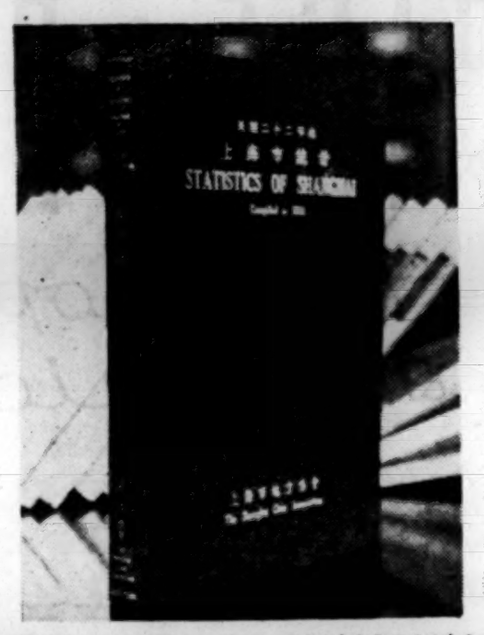

STATISTICS OF SHANGHAI

Compiled in 1933

published by

The Shanghai Civic Association

Including the International Settlement, French Concession and Chinese Municipality of Greater Shanghai.

Some of the chapter headings:

Land	Industry
Population	Labor
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Judiciary	Communications
Finance	Public Utilities
Money Market	Cultural Activities
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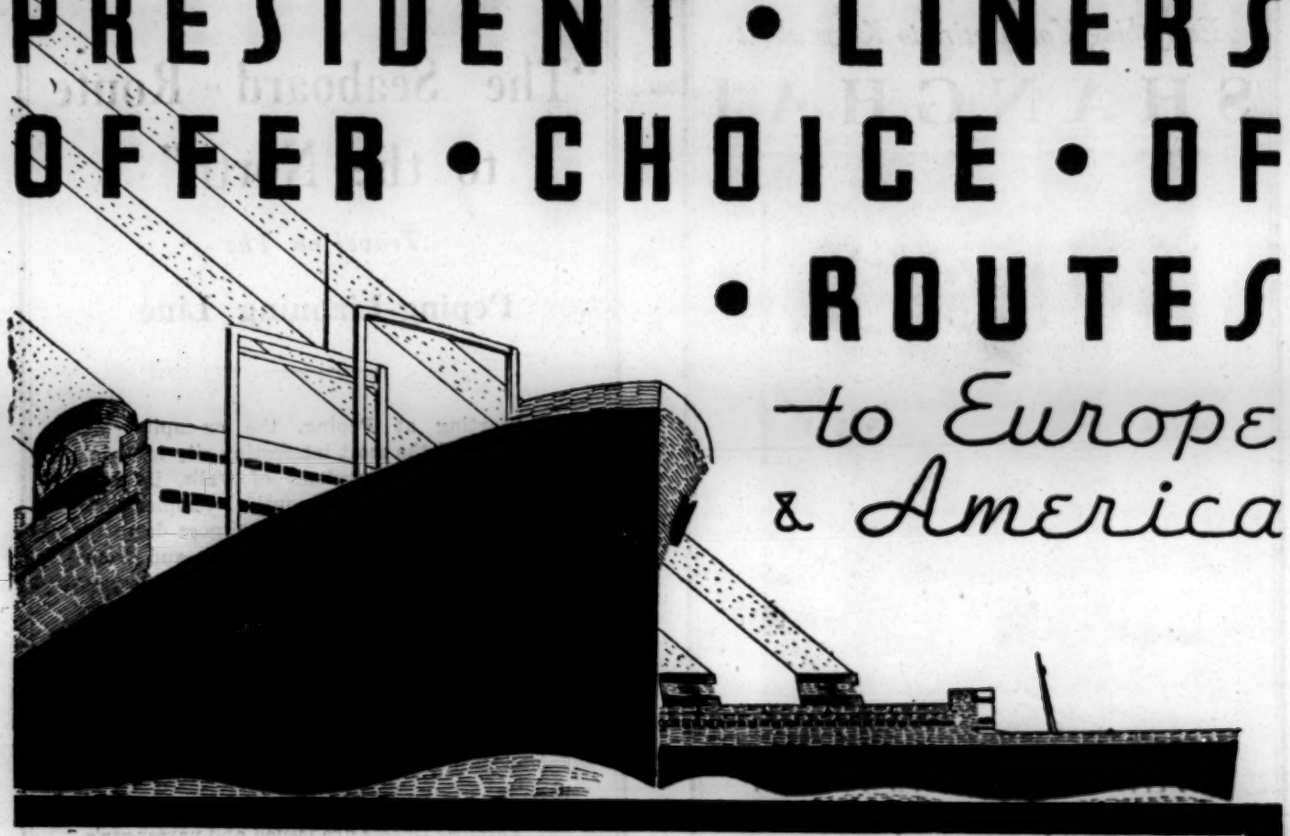

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